By Mr. MORIN: A bill (H. R. 16504) to amend the act fixing the fees of jurors and witnesses in the United States courts, including the District Court of Hawaii, the District Court of Porto Rico, and the Supreme Court of the District of Columbia, approved April 26, 1926; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. NEWTON: Memorial of the Minnesota Legislature, petitioning certain amendments to the prison made goods bill and if not so amended urging veto by the President; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 16505) granting an increase of pension to Seville Ambrose; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 16506) for the relief of Elijah W. Leonard; to the Committee on Military Affairs.

Also, a bill (H. R. 16507) granting an increase of pension to Julia DeL. Jackson; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 16508) authorizing the President to present in the name of Congress a gold medal of appropriate design to Frank J. Williams; to the Committee on Coinage, Weights, and Measures.

By Mr. DOUTRICH: A bill (H. R. 16509) for the relief of Eleanor Freedman; to the Committee on Claims.

By Mr. ENGLAND: A bill (H. R. 16510) for the relief of William Homer Johnson; to the Committee on Military Affairs.

By Mr. HICKEY: A bill (H. R. 16511) granting a pension to Lydia A. Kurtz; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 16512) granting a pension to Etta Burdsall; to the Committee on Invalid Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 16513) granting an increase of pension to Lucy E. Gettig; to the Committee on Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 16514) granting an increase of pension to Lucy Jenkins; to the Committee on Invalid Pensions.

By Mr. RAINEY: A bill (H. R. 16515) granting a pension to Dorothy Sampson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16516) granting an increase of pension to Mary Ruse; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16517) granting an increase of pension to Lieucettia J. Smith; to the Committee on Invalid Pensions.

By Mr. SPEARING: A bill (H. R. 16518) granting a pension to Ezilda Von Buelow; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 16519) for the relief of George W. Jackson; to the Committee on Military Affairs.

By Mr. WASON: A bill (H. R. 16520) for the relief of John H. Reardon, alias John Wilson; to the Committee on Military Affairs.

By Mr. WELLER: A bill (H. R. 16521) granting an increase of pension to Henrietta G. Godchaud; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8354. By Mr. BARBOUR: Petition signed by residents of Taft, Calif., opposing repeal of national-origins clause of the immigration act, and urging that immigrants from Mexico and Canada be placed under the quota; to the Committee on Immigration and Naturalization.

8355. By Mr. CANNON: Petition of Post 319, American Legion, Portage des Sioux, Mo., urging provision for additional hospitalization quarters at Jefferson Barracks, Mo.; to the Committee on World War Veterans' Legislation.

8356. By Mr. CARLEY: Petition of uncompensated veterans of United States Veterans' Bureau hospital, Castle Point, N. Y.; to the Committee on World War Veterans' Legislation.

8357. By Mr. CRAIL: Petition of the American Legion, Department of California, favoring additional hospital facilities at Soldiers' Home, Pacific Branch, etc.; to the Committee on World War Veterans' Legislation.

8358. Also, petition of sundry citizens of Los Angeles, Calif., protesting against the passage of House bill 78; to the Committee on the District of Columbia.

8359. By Mr. CULLEN: Petition of the representatives of the savings and loan associations in the State of New York, urging the adoption of House bill 13981; to the Committee on the Judiciary.

8360. By Mr. ENGLEBRIGHT: Resolution of the executive committee of the American Legion, San Francisco, with reference to the rehabilitation problem in California; to the Committee on World War Veterans' Legislation.

8361. By Mr. O'CONNELL: Petition of national headquarters, United Spanish War Veterans, Washington, D. C., favoring the passage of the Knutson bill (H. R. 14676); to the Committee on Pensions.

8362. By Mr. RAINEY: Petition relative to damages caused by Illinois River flood drainage; to the Committee on Irrigation and Reclamation.

8363. Also, petition of R. A. Hilling and 40 other citizens of Manito, Ill., for relief of drainage districts; to the Committee on Irrigation and Reclamation.

8364. By Mr. SWING: Petition of residents of San Diego, Calif., protesting against the compulsory Sunday observance bill; to the Committee on the District of Columbia.

8365. Also, petition of citizens of San Diego, Calif., protesting against the passage of any compulsory Sunday observance bill; to the Committee on the District of Columbia.

8366. By Mr. THOMPSON: Resolution of the Chamber of Commerce, Ottawa, Ohio, advocating an increased tariff on all foreign sugar imported into this country and advocating also legislative action to increase the rate on concessionary sugar from Cuba; to the Committee on Ways and Means.

8367. By Mr. WYANT: Petition of Vandergrift Branch, N. L. C., No. 894, recommending passage of Senate bill 1727, which provides for optional retirement after 30 years' service when the age of 63 years is attained, with annuities increased to $1,200 per year; to the Committee on the Civil Service.

SENATE

WEDNESDAY, *January 23, 1929*

(Legislative day of Thursday, January 17, 1929)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	McKellar	Simmons
Bayard	Fess	McMaster	Smith
Bingham	Fletcher	McNary	Steck
Black	Frazier	Mayfield	Steiwer
Blaine	George	Metcalf	Stephens
Blease	Gerry	Moses	Swanson
Borah	Glass	Neely	Thomas, Idaho
Bratton	Glenn	Norbeck	Thomas, Okla.
Brookhart	Gould	Norris	Trammell
Broussard	Greene	Nye	Tydings
Bruce	Hale	Oddie	Tyson
Burton	Harris	Overman	Vandenberg
Capper	Harrison	Phipps	Wagner
Caraway	Hastings	Pine	Walsh, Mass.
Copeland	Hawes	Ransdell	Walsh, Mont.
Couzens	Hayden	Reed, Pa.	Warren
Curtis	Heflin	Robinson, Ark.	Waterman
Dale	Johnson	Sackett	Watson
Deneen	Jones	Sheppard	Wheeler
Dill	Kendrick	Shipstead	
Edge	Keyes	Shortridge	

Mr. NORRIS. I desire to announce that my colleague [Mr. HOWELL] is detained from the Senate on account of illness. I ask that this announcement may stand for the day.

Mr. BLAINE. I wish to announce that my colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] is unavoidably absent by reason of illness. I will let this announcement stand for the day.

Mr. GERRY. I desire to announce that the junior Senator from Utah [Mr. KING] is absent, and has been absent for several days, on account of illness. This announcement may stand for the day.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

REPORT OF AMERICAN WAR MOTHERS

The VICE PRESIDENT laid before the Senate a communication from the national president of the American War Mothers, transmitting, pursuant to law, the annual report of that organization for 1927–28, which was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Minnesota, which was ordered to lie on the table:

STATE OF MINNESOTA,
DEPARTMENT OF STATE.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original instrument in my office of joint resolution memorializing the President of the United States and the Congress of the United States relative to the passage of H. R. 7729, approved January 17, 1929, and that said copy is a true and correct transcript of said instrument and of the whole thereof.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 17th day of January, A. D. 1929.

[SEAL.]

MIKE HOLM,
Secretary of State.

A joint resolution memorializing the President of the United States and the Congress of the United States relative to the passage of H. R. 7729

Whereas there is now pending in the Congress of the United States H. R. 7729, a bill to divest goods, wares, and merchandise manufactured, produced, or mined by convicts or prisoners of their interstate character in certain cases, which bill, if passed and approved by the President, will effectively cripple and destroy the twine and farm machinery industry now operated by the State of Minnesota at the State prison in Stillwater, Minn., for the reason that said plant can not be successfully operated if the products produced therein can not be sold to farmers in States outside of Minnesota; and

Whereas for many years past the farmers of the States of Minnesota, Wisconsin, Iowa, Nebraska, North Dakota, South Dakota, and Montana have saved many millions of dollars by reason of the operation of said twine and farm machinery industry by the State of Minnesota because they have been able to purchase said products at prices materially lower than the same could be purchased from any other source; and

Whereas the farmers of the Northwest, including the States above named, have for many years been laboring under many serious economic disadvantages and in particular have suffered seriously from high prices of all their requirements by reason of which the agricultural industry is seriously depressed. The fact that farmers in such States have been able to obtain twine and farm machinery manufactured and sold by the State of Minnesota constitutes the only real practical farm relief which has been extended to them; and

Whereas the farmers of the Northwest and of the State of Minnesota have by their constant watchfulness and support of the twine and farm machinery department of the State of Minnesota preserved the same from efforts which have been made from time to time by competitors and others to throttle and destroy said industry; and

Whereas said bill should be amended so as to permit twine and agricultural machinery to be manufactured and sold by any State upon its own account as distinguished from said products being manufactured by a contractor and that such products be permitted to be transported and sold in any other State or Territory: Therefore be it

Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be, and is hereby, urgently petitioned to amend said bill as above indicated; be it further

Resolved by the Legislature of the State of Minnesota, That in case said bill is not so amended as to except therefrom twine, farm implements, and machinery manufactured by the State of Minnesota, that we most earnestly urge upon the President of the United States that said bill be returned to Congress without the Executive's approval, and that the same be vetoed unless the same be so amended; be it further

Resolved, That a duly authenticated copy of this resolution be transmitted to the President of the United States, to the presiding officers of the Senate and House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

W. I. NOLAN,
President of the Senate,
JOHN A. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 15th day of January, 1929.

G. H. SPAETH,
Secretary of the Senate.

Passed the house the 16th day of January, 1929.

JOHN I. LEVIN,
Chief Clerk, House of Representatives.

Approved January 17, 1929.

THEODORE CHRISTIANSON,
Governor of the State of Minnesota.

Filed January 17, 1929.

MIKE HOLM,
Secretary of State.

The VICE PRESIDENT laid before the Senate resolutions adopted by the annual meeting of the Sentinels of the Republic, favoring the adoption of the so-called Garrett resolution, proposing a constitutional amendment giving to the people of the United States a controlling voice in the matter of ratifying future amendments to the Constitution; the abolition of useless governmental bureaus and commissions and those representing Federal activities in fields properly belonging to the States, "such as the Board of Vocational Education, Home Economics Bureau, Children's Bureau, and Women's Bureau," and the repeal of the provision in the Federal estate tax law which allows an 80 per cent credit for State inheritance taxes paid, "because the admitted purpose of that provision is to coerce the States to levy inheritance taxes to the amount of the credit given," which were referred to the Committee on the Judiciary.

He also laid before the Senate a memorial of the Sentinels of the Republic, remonstrating against the adoption of the so-called uniform marriage and divorce amendment to the Constitution, "taking from the States the control of the marital relations of their citizens"; the so-called equal rights amendment "which in effect prohibits any legislation by the States recognizing distinctions between the sexes and invalidates all laws for the protection of women"; any amendment to the Constitution to permit Federal taxation of State securities; the proposed child-labor amendment to the Constitution; any amendment to the Constitution giving Congress the power to regulate hours and conditions of labor; the establishment of a Federal department of education, or the enlargement of the functions of the existing Federal Bureau of Education; the so-called Newton bill (H. R. 14070) to provide a permanent child-welfare extension service under the Children's Bureau; the so-called George-Reed bill (S. 1731–H. R. 12241) or any similar measure for further Federal aid for vocational education; the passage of the "so-called '50-50' or 'Federal aid' legislation by which the Federal Government assumes control of the States in their purely internal affairs"; the creation of new and useless bureaus and divisions in the Government, "such as the proposed division of safety in the Bureau of Labor Statistics of the Department of Labor"; pending legislation to impose woman suffrage on Porto Rico and the Philippine Islands, "in violation of the right of self-government in this matter already conferred on these dependencies"; incorporation by act of Congress of organizations for general humanitarian and political purposes "under the supposed authority of the 'general welfare' clause of the Constitution"; the passage of the so-called Norris bill (S. 3151) or any similar measure "which would take from the Federal district courts jurisdiction of suits arising under the Constitution or laws of the United States and suits between citizens of different States, which by the Constitution are placed under the judicial power of the United States," as being "an attempt to relieve the judicial branch of the Federal Government of responsibilities which properly belong to it"; which was referred to the Committee on the Judiciary.

Mr. ROBINSON of Arkansas presented a paper in the nature of a petition of the Arkansas Manganese Ore Co., praying for the retention of an adequate tariff duty on manganese ores, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of England, Ark., praying for the passage of the bill (S. 4689) to provide for the making of loans to drainage or levee districts, and for other purposes, which was referred to the Committee on Irrigation and Reclamation.

He also presented a petition of members of the Pemiscot County Court, of Caruthersville, Mo., praying for the passage of the bill (S. 4689) to provide for the making of loans to drainage or levee districts, and for other purposes, which was referred to the Committee on Irrigation and Reclamation.

DUTY ON ALFALFA SEEDS

Mr. ASHURST presented the following telegram, which was referred to the Committee on Finance and ordered to be printed in the RECORD:

YUMA, ARIZ., *January 23, 1929.*

Senators HENRY F. ASHURST and CARL HAYDEN,
Senate Office Building, Washington, D. C.:

We respectfully submit the following resolutions:

"Whereas climatic and irrigation conditions force the farmer of the Yuma project to grow alfalfa seed during the hot months instead of hay; and

"Whereas due to this fact about one-tenth of the alfalfa seed of the United States is produced in Yuma County; and

"Whereas the other legumes, namely, red clover, sweet clover, and alsike may be used as substitutes for alfalfa; and

"Whereas importation of seeds of these leguminous plants is erratic, depending on production in other countries, which fact presents a constant menace to profitable production in the United States: Be it

"*Resolved,* That regulation and high tariff are essential to the upbuilding of agriculture in the alfalfa seed-growing sections of the United States; and be it further

"*Resolved*, That the agricultural interests of this section do earnestly solicit consideration and protection in behalf of this leading industry and do request the enactment of immediate legislation increasing the duty on alfalfa, red clover, sweet clover, and alsike seeds to 8 cents per pound; and be it further

"*Resolved*, That copies of these resolutions be sent to C. A. Gray, Hon. W. C. HAWLEY, and to our Senators and our Representatives in Washington."

YUMA CHAMBER OF COMMERCE.
YUMA COUNTY WATER USERS.
ASSOCIATION YUMA COUNTY FARM BUREAU.
FARM BUREAU MARKETING ASSOCIATION.
WM. WESTOVER,
President Yuma Kiwanis Club.

ALLEGED CONSPIRACY AGAINST INDIAN COMMISSIONER BURKE

Mr. FRAZIER. Mr. President, I wish to submit a special report from the Subcommittee on Indian Affairs, and ask that the report may be read. It is very short.

The VICE PRESIDENT. Without objection, the report will be read.

The Chief Clerk read the report (No. 1490), as follows:

SURVEY OF CONDITIONS AMONG THE INDIANS OF THE UNITED STATES
JANUARY 23, 1929

Mr. FRAZIER, from the Committee on Indian Affairs, submitted the following special report of the subcommittee appointed by the committee to make a survey of the conditions of the Indians of the United States under authority of Senate Resolution 79, Seventieth Congress:

"Whereas on the 1st day of February, 1928, the Senate of the United States passed a resolution authorizing and directing the Committee on Indian Affairs of the Senate to make a general survey of the conditions of the Indians and of the operation and effect of the laws which Congress has passed for the civilization and protection of the Indian tribes; to investigate the relation of the Bureau of Indian Affairs to the persons and property of Indians and the effect of the acts, regulations, and administration of said bureau upon the health, improvement, and welfare of the Indians; and to report its findings in the premises, together with recommendations for the correction of abuses that may be found to exist, and for such changes in the law as will promote the security, economic competence, and progress of the Indians;

"Whereas the following subcommittee was appointed under the above resolution, to wit: LYNN J. FRAZIER, chairman; ROBERT M. LA FOLLETTE, Jr., W. B. PINE, BURTON K. WHEELER, ELMER THOMAS;

"Whereas pursuant to said resolution your committee, within the limits of its authority, sought to make the investigation called for therein and has held hearings in the States of Washington, Oregon, California, Utah, and has been and is now holding hearings in the District of Columbia;

"Whereas on the 7th day of January, 1929, in the course of a hearing being at that time conducted by your committee, Charles H. Burke, Commissioner of Indian Affairs, interrupted the proceedings with the request that he be permitted to make a statement. Permission was granted, and the following statement was made:

"'Commissioner BURKE. Referring to the testimony brought out before the committee this morning, I, Charles H. Burke, Commissioner of Indian Affairs, charge a conspiracy on the part of Senator W. B. PINE, of Oklahoma, to destroy me because James Hepburn, a certain Oklahoma politician, was not appointed Superintendent of the Five Civilized Tribes. Senator PINE is using his political appointees now in the Department of Justice, namely, Selby and Parmenter, to aid him in carrying out this dastardly conspiracy; and Senator PINE is cooperating with John Collier, a notorious Indian agitator, who is actively engaged in a campaign trying to destroy me and the Indian Service';

"Whereas in view of the seriousness of the charges, the Commissioner of Indian Affairs, Mr. Burke, was requested by the committee to produce evidence, if any he had, in support thereof, the committee agreeing to subpœna any witnesses requested by said commissioner and to defray their expenses to Washington. Thereafter Mr. Burke, represented by his counsel, E. O. Patterson, Solicitor of the Department of the Interior, appeared before the committee and he, the said commissioner, personally testified and was permitted to and did call before the committee such witnesses as he desired to substantiate the said charges as above set forth.

"After hearing all of the evidence in the case and after considering the brief filed by Mr. Patterson, counsel for Mr. Burke, the committee is of the opinion that there is not a scintilla of evidence to support or substantiate the charge of conspiracy, or any other charge as set forth or made by Commissioner Burke before the Subcommittee of Indian Affairs against Senator PINE or against Messrs. Selby, Parmenter, or Collier: Therefore be it

"*Resolved*, That the Subcommittee on Indian Affairs, which has under investigation the charges made by Commissioner Burke as against Senator PINE as above set forth, finds that Hon. W. B. PINE, of Oklahoma, is entirely innocent of the charges so made by said Commissioner Burke.

"Senator PINE and Senator THOMAS were not present and took no part in the findings of the committee.

"Respectfully submitted.

"LYNN J. FRAZIER, *Chairman.*
"ROBERT M. LA FOLLETTE, Jr.
"BURTON K. WHEELER."

REPORTS OF COMMITTEES

Mr. NORBECK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3001) to revise the boundary of the Yellowstone National Park in the States of Montana and Wyoming, and for other purposes, reported it with amendments and submitted a report (No. 1489) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 8341) to provide for appointing Clarence Ulery a warrant officer, United States Army, reported it without amendment and submitted a report (No. 1491) thereon.

Mr. EDGE, from the Committee on Foreign Relations, to which was referred the bill (H. R. 12995) for the relief of Etta B. Leach Johnson, reported it without amendment and submitted a report (No. 1492) thereon.

Mr. DILL, from the Committee on Patents, to which was referred the bill (S. 2783) to provide for the forfeiture of patent rights in case of conviction under laws prohibiting monopoly, reported it with amendments and submitted a report (No. 1493) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that to-day, January 23, 1929, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 3828. An act to amend Public Law No. 254, approved June 20, 1906, known as the organic school law, so as to relieve individual members of the Board of Education of personal liability for acts of the board;

S. 4488. An act declaring the purpose of Congress in passing the act of June 2, 1924 (43 Stat. 253), to confer full citizenship upon the Eastern Band of Cherokee Indians, and further declaring that it was not the purpose of Congress in passing the act of June 4, 1924 (43 Stat. 376), to repeal, abridge, or modify the provisions of the former act as to the citizenship of said Indians;

S. 4712. An act to authorize the Secretary of War to grant a right of way to the Southern Pacific Railroad Co. across the Benicia Arsenal Military Reservation, Calif.;

S. 4976. An act granting the consent of Congress to the counties of Lawrence and Randolph, State of Arkansas, to construct, maintain, and operate a bridge across the Spring River at or near the town of Black Rock, Ark.;

S. 4977. An act granting the consent of Congress to the counties of Lawrence and Randolph, State of Arkansas, to construct, maintain, and operate a bridge across the Spring River at or near Imboden, Ark.;

S. 5038. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.;

S. 5039. An act to extend the times for commencing and completing the construction of a bridge across the Wabash River at Mount Carmel, Ill.;

S. 5240. An act to extend the time for completing the construction of the bridge across the Mississippi River at Natchez, Miss.; and

S. J. Res. 171. Joint resolution granting the consent of Congress to the city of New York to enter upon certain United States property for the purpose of constructing a rapid-transit railway.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BINGHAM:

A bill (S. 5492) to amend the act approved July 2, 1926 (44 Stat. 784), relating to the procurement of aircraft supplies by the War Department and the Navy Department; to the Committee on Military Affairs.

By Mr. MOSES (for Mr. GOFF):

A bill (S. 5493) relating to the construction of a chapel at the Federal Industrial Institution for Women at Alderson, W. Va.; to the Committee on the Judiciary.

By Mr. FESS:

A bill (S. 5495) granting a pension to Emma Hall; and

A bill (S. 5496) granting an increase of pension to Catharine Henicle; to the Committee on Pensions.

Mr. BORAH. Mr. President, at the request of the State Department I introduce a bill.

By Mr. BORAH:

A bill (S. 5497) authorizing an appropriation for the payment of claims arising out of the occupation of Vera Cruz, Mexico, by American forces in 1914; to the Committee on Foreign Relations.

A bill (S. 5498) granting a pension to the minor children of Anatol Czarnecki; to the Committee on Pensions.

By Mr. WALSH of Massachusetts:

A bill (S. 5499) granting an increase of pension to Margaret C. Butler; to the Committee on Pensions.

A bill (S. 5500) for the relief of Antoine Laporte;

A bill (S. 5501) for the relief of Ebenezer H. Pratt; and

A bill (S. 5502) for the relief of Stephen Crotty; to the Committee on Military Affairs.

By Mr. NORRIS:

A bill (S. 5503) to amend section 22 of the act entitled "An act to provide compensation for disability or death resulting from injury to employees in certain maritime employments, and for other purposes," approved March 4, 1927, as amended; to the Committee on the Judiciary.

A bill (S. 5504) authorizing amendment of the existing contract between the United States and the Northport irrigation district; to the Committee on Irrigation and Reclamation.

Mr. SACKETT. Mr. President, I introduce a bill, with the statement that it has been sent here by the Police Department of Washington, D. C., and that I do not take any responsibility for the bill. I ask that it may be referred to the District Committee for discussion.

By Mr. SACKETT:

A bill (S. 5505) to define and punish vagrancy in the District of Columbia; to the Committee on the District of Columbia.

By Mr. NEELY:

A bill (S. 5506) for the relief of Matt Burgess; to the Committee on Claims.

By Mr. GREENE:

A bill (S. 5507) granting an increase of pension to Celestia Edwards; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 5508) granting a pension to Mary Anna Cooper (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 5509) granting an increase of pension to Woodville G. Staubly; to the Committee on Pensions.

A bill (S. 5510) for the relief of Richard C. Miller; to the Committee on Military Affairs.

By Mr. WATSON:

A bill (S. 5511) granting the consent of Congress to the Hawesville & Cannelton Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River (with an accompanying paper); to the Committee on Commerce.

By Mr. CAPPER:

A bill (S. 5512) to provide recognition for meritorious service by members of the Police and Fire Departments of the District of Columbia; to the Committee on the District of Columbia.

By Mr. BROUSSARD:

A bill (S. 5513) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near New Orleans; to the Committee on Commerce.

By Mr. PHIPPS:

A bill (S. 5514) for the relief of E. Gellerman, doing business under the name of the Lutz-Berg Motor Co. at Denver, Colo.; to the Committee on Post Offices and Post Roads.

By Mr. MOSES:

A bill (S. 5515) to amend section 95 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. STEPHENS:

A bill (S. 5516) to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Choctaw and Chickasaw Indians may have against the United States, and for other purposes," approved June 7, 1924; to the Committee on Claims.

By Mr. STEIWER:

A joint resolution (S. J. Res. 203) to establish a joint congressional committee to study the public domain and the national forests and recommend a legislative policy in relation therewith; to the Committee on Public Lands and Surveys.

PROHIBITION ENFORCEMENT

Mr. HARRIS. Mr. President, during the debate the past few days on my amendment to the first deficiency appropriation bill having to do with prohibition enforcement, several Senators referred to the fact that business is so congested in the Federal courts that all the appropriation could not possibly be made use of and would not accomplish much good. I realize that there is congestion in some districts, but I do not agree that all the appropriation could not be used effectively. Mr. President, I introduce a bill providing for the granting of authority to United States district judges to designate United States commissioners to determine and decide cases involving first offenses against the prohibition law and make needful rules for procedure thereabout.

The bill provides that the accused when brought before a commissioner shall demand a trial in the district court as at present, or he may elect a trial before the commissioner, but should either the accused or the United States be dissatisfied with the judgment of guilt or innocence an appeal as of right may, within 24 hours after the judgment, be entered in writing with the commissioner, which may be tried in the district court. If either is dissatisfied with the sentence fixed, a protest may be filed and the judge shall review the sentence and confirm or alter same.

This bill was prepared by Judge Samuel H. Sibley, of the northern district of Georgia, one of the best men as well as one of the ablest judges in the United States. I am proud of the fact that it was on my recommendation that President Wilson appointed him. In his letter to me Judge Sibley refers to the relief of the district courts from this petty criminal work which takes only common sense to handle. He states that the accused is often poor, and that delays and expenses are unjust to him as well as to the Government.

Judge Sibley, in his letter to me, says:

> The troubles in the way grow out of the constitutional provisions guaranteeing a jury trial and requiring that judges hold office during good behavior and at fixed salaries. The act submitted aims, so far as possible, to avoid these difficulties by making the commissioner a mere arm of the original court, similar to the position of an auditor or master or referee in bankruptcy on the civil side, with his every act taking finality only by consent of the accused or by order of the district judge. The jury trial is assumed to be waivable.

Judge Sibley cites certain decisions which prove to his satisfaction that the measure is constitutional, and believes that if United States commissioners could handle the class of cases referred to we would get rid of much of the congestion in the courts and in the jails and save unnecessary expense.

I ask that the bill may be read at length and referred to the Committee on the Judiciary.

The bill (S. 5494) to provide a procedure before United States commissioners in prosecutions of misdemeanor offenses against the prohibition laws, was read the first time by its title, the second time at length, and referred to the Committee on the Judiciary, as follows:

Be it enacted, etc., That the judges of the several district courts shall have power, when and for such time as they deem expedient, to direct that first offenses against the prohibition laws of the United States be tried as herein provided before such of the United States commissioners in their several districts as they may from time to time designate; and make needful rules for procedure thereabout.

SEC. 2. Such commissioners shall, in all such prosecutions as shall arise in the territory that may be assigned to them, respectively, proceed as follows: The accused on being brought before the commissioner may demand a trial in the district court, when proceedings shall be as now practiced. Or he may elect a trial before the commissioner, whereupon the commissioner shall have prepared an information as in the district court, upon which the election to try before the commissioner shall be entered, and after a reasonable time to prepare for trial, pending which bail may be taken, he shall in lieu of a preliminary hearing fully try the case, being empowered to compel the attendance of witnesses and the production of evidence and to report to the court for punishment all contempts before him which shall be treated as contempts of the district court; and he shall make in writing his judgment upon the case, and in the event of plea or judgment of guilty shall give sentence according to law. The information, judgment, sentence, and other proceedings shall, after 24 hours from the completion of the case, be filed, together with a brief report of the evidence, in the clerk's office of the proper division of the district, and constitute a record of the district court therein.

SEC. 3. Should either the accused or the United States be dissatisfied with the judgment of guilt or innocence, an appeal as of right may, within 24 hours after the judgment, be entered in writing with the commissioner, which shall be tried de novo as soon as may be in the district court. And if either is dissatisfied with the sentence fixed, a protest thereto may be filed in like time and manner, whereupon the judge shall review the sentence as soon as practicable and after such hearing as he shall allow, confirm or alter the same as may seem just. A sentence not protested shall be by the clerk promptly submitted to the judge and by him confirmed without further notice or hearing, unless

he shall specially order the same, after which he may alter such sentence.

SEC. 4. If an appeal or protest is entered the accused shall be granted bail or committed as on a preliminary hearing. Otherwise the sentence may be at once executed. If the trial develop that the case is a second offense, the commissioner shall treat it as a preliminary hearing only, and discharge or commit accordingly.

SEC. 5. The district court may order cases pending therein on indictments or information for offenses mentioned in section 1 to be transmitted to the commissioner for hearing as herein provided, upon consent of the accused.

Mr. HARRIS. I present Judge Sibley's letter bearing on this subject, and ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES COURTS, NORTHERN DISTRICT OF GEORGIA,
Atlanta, Ga., July 10, 1925.

Senator WILLIAM J. HARRIS,
Washington, D. C.

DEAR SENATOR HARRIS: I beg to submit for your consideration an outline of an act looking to the relief of the district courts from some of their petty criminal work. The district courts in this State are overwhelmed with what is virtually police-court work, and handled with the informality and dispatch of such a court. It takes only common sense to deal with these cases and they are not such as ought to occupy the attention of a Federal judge or take the time of his court. The accused is often poor, comes a long distance with his witnesses, and in a crowded court is delayed several days, and perhaps misses a trial altogether. These expenses and delays are unjust to him. On the part of the Government, witnesses are now required to attend before a commissioner and then attend before the district court and perhaps have to attend through a term or two, making a similar burden of expense for the Government. It would be better for all concerned if a trial could be had at once before the commissioner, instead of a preliminary hearing, subject fully to correction and superintendence by the judge, where that was desired by the parties or appeared to be necessary to the judge. Indeed most guilty persons will admit their guilt if tried at once. Often it is after conference with lawyers and friends, with time, perhaps, to concoct a defense, that they decide to take a chance of trial in court. Most commissioners are capable of dealing with the run of these cases, and every consideration of economy, speed, and substantial justice seem to me in favor of their doing so.

The troubles in the way grow out of the constitutional provisions guaranteeing a jury trial and requiring that judges hold office during good behavior and at fixed salaries. The act submitted aims, so far as possible, to avoid these difficulties by making the commissioner a mere arm of the original court, similar to the position of an auditor or master or referee in bankruptcy on the civil side, with his every act taking finality only by consent of the accused or by order of the district judge. The jury trial is assumed to be waivable. On this point attention is called to these cases:

In Capital Traction Co. *v.* Hof (174 U. S. 1) it was recognized that a jury trial allowed on appeal was a sufficient fulfillment in civil cases of the constitutional guaranty.

In Callan *v.* Wilson (127 U. S. 540) the holding was that in a criminal case the jury trial must be afforded from the beginning and an appellate trial was not sufficient.

But in the Shick case (195 U. S. 66) it appears to be established courts here without question. (See Logan *v.* State. 86 Ga. 266; Lamar *v.* Prosser, 121 Ga. 153.)

By the Congress, in dealing with offenses in the national parks for which the same punishment is provided as for first offenses under the prohibition law, that is, a maximum fine of $500 or maximum imprisonment of six months, final trials before commissioners have been authorized. Perhaps these offenses are considered as mere petty offenses in which no jury trial is necessary. (See, however, as to Hot Springs Reservation, act of April 20, 1904, sec. 6, 33 Stat. 188, amended 34 Stat. 1218 and 36 Stat. 1086; as to Glacier National Park, act of Aug. 22, 1914, sec. 6, 38 Stat. 700; Mount Rainier Park, act of June 30, 1916, sec. 6, 39 Stat.; Crater Lake Park, act of Aug. 21, 1916, sec. 6, 39 Stat.)

The proposed act leaves it optional with the judge in each district to use or not use the plan, and leaves to him the selection of the commissioners fitted for the duty, with the right to assign them territory.

It was thought best to allow to the Government the right of appeal from the judgment of guilt or innocence, or the sentence, as well as to the accused, both to emphasize the subordinate status of the commissioner and his trial, and because a commissioner might go wrong in a particular case of importance, or because important evidence might appear on the trial to exist and not be at hand, which ought to produce a different result. Full control of the sentence in all cases is left to the judge, so that it is his discretion at last finally fixing the punishment. Only first offenses are triable before the commissioner. If it should develop on trial that a second offense was involved, he should simply bind over the accused, as now practiced.

It was thought well to let cases beginning in the district court be referred, in the discretion of the court, to the commissioner, if desirable.

As to compensation, fees for the commissioner under the present fee bill would probably be sufficient.

Judge Morton, of Massachusetts, expressed similar views in his speech before the judicial section of the American Bar Association July 7, 1925.

I would be glad if you would go over the matter and advise me whether you think it workable and desirable.

Yours truly,

SAML. H. SIBLEY.

Mr. HARRIS. Mr. President, I also wish to call attenton to a statement in regard to this measure:

Objection to Senator HARRIS's plan has been made that it would be unconstitutional, on the theory that police powers have not been granted to Congress among the powers enumerated to it by the Constitution.

But it was declared in Sims's case (7 Cushing, 731) that "the commissioners of the circuit courts of the United States are officers exercising functions of justice of the peace under the laws of the Commonwealth," and that "Congress might appoint justices without commissioning them as judges during good behavior or giving them fixed salaries."

That would take such justices from under the constitutional requirements as to Federal judges. Congress is empowered by the Constitution to give to them the jurisdiction and functions that it pleases.

The Supreme Court has decided (1 Wheat. 304, 337) that "Congress can not vest any portion of the [judicial] power in State courts, only in courts established by itself," but it can establish any form of court it sees fit to try offenses against Federal laws.

Hence, one available and most promising plan to forward and secure prohibition enforcement in more satisfactory fashion is to adopt the Harris plan.

I also present an article from the Atlanta Constitution of Saturday, January 5, 1929, by Sam W. Small, who was with the Anti-Saloon League for many years, which I ask may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Constitution, Atlanta, Ga., Saturday, January 5, 1929]

SENATOR HARRIS OFFERS THE BEST PLAN YET TO PROMOTE EFFECTIVE PROHIBITION

By Sam W. Small

WASHINGTON, January 4.—The common sentiment here at Washington is that Mr. Durant's effort to purchase a prize solution of the prohibition problem has added absolutely nothing of value to the desired solution.

The reason is obvious. There is no practical solution as long as the law remains as it is.

The Volstead Act was outlined by the late Wayne B. Wheeler, general counsel and legislative agent of the Anti-Saloon League. He labored zealously and meticulously to draft into the act all the knowledge and experiences of his long career as the league's prosecutor of liquor-law violators in Ohio and as adviser of the league's prosecutors in other States of the Union. He had become the shrewdest antiliquor lawyer in the country and easily baffled the ablest and highest-paid lawyers who appeared for the liquor interests, even in the Supreme Court of the United States.

And he had the political backing to force his drastic law through both Houses of Congress and over the veto of President Wilson.

FIRED TO GO THE LIMIT

In our many years' association in the work of procuring the national prohibition amendment Wheeler had come to appreciate my life-long studies of the Federal Constitution and to regard me as a trustworthy conferee on its terms and the interpretations given to them by the Federal Supreme Court.

While he was framing the act for Representative Volstead to lay before the Judiciary Committee of the House Wheeler frequently called me into consultation. That is how I come to know personally how the first draft of the act was prepared and in what particulars it was changed in committee and on its passage through the Houses of Congress.

The constitutionality of its provisions was carefully studied in the conferences between Wheeler, Volstead, myself, and others—so carefully, indeed, that they have been consistently upheld by the Supreme Court in practically all the cases based upon the act that have come before it up to date.

Wheeler was determined to go the full limit that the Constitution would allow. He hated liquor and the supporters of the traffic in it with a spiritual ferocity such as I have never known another man to have against any person or practice. He felt it his duty to God to hate them just that way!

DOUBTS THAT ARE NOW VERIFIED

While having no doubts of the constitutionality of the provisions of the act, I did express serious doubts of the practical wisdom of some of them and of the ability of the Government to enforce them.

Those doubts have been verified substantially by the experiences of the people and the Government during the past eight years.

I argued strongly in our conferences against the definition of "intoxicating liquor" as being any liquor containing more than one-half of 1 per cent of alcohol. I felt that such definition was drastic and indefensible, both scientifically and experimentally, and that it would shut off from the people beverages not in fact intoxicating and would arouse great and troublesome opposition to the amendment and the enforcement act.

I also doubted the wisdom and practicality of making the mere police offenses against the act triable of juries in the Federal district courts, and advocated what has since been proposed from many sources—that those offenses be made simple misdemeanors triable and punishable with fines by commissioners of the Federal district courts. Only to-day Federal Judge Cant, of Duluth, declares that such offenses should be so dealt with by such commissioners or carried into the State courts.

SENATOR HARRIS SEES THE NEED

In a former session of Congress our Senator HARRIS, seeing the need for certain and speedy punishment of local distillers, home brewers, bootleggers, and road rum runners, proposed an act to confer police jurisdiction upon United States court commissioners, with as many of them in each judicial district as circumstances should suggest, and with authority to summarily try such small-fry offenders against the prohibition law.

Everyone at all conversant with the judicial features of prohibition enforcement knows that the greatest weakness lies in the failure of juries to convict and the judges to properly punish such as are convicted or lay down on pleas of guilty.

Senator HARRIS can do no greater service to the people of the entire Nation than to press his plan above mentioned upon the action of Congress. If he can succeed in having it enacted he will do more for the better enforcement of the amendment and the Volstead Act than has yet been done or than could be done under any of the plans submitted for the Durant prize. I have heard more commendation given to Senator HARRIS's plan than to any other remedy that has been proposed for present slack enforcement conditions.

THE PLAN IS CONSTITUTIONAL

Objection to Senator HARRIS's plan has been made that it would be unconstitutional, on the theory that police powers have not been granted to Congress among the powers enumerated to it by the Constitution.

But it was declared in Sims's case (7 Cushing, 731) that "the commissioners of the circuit courts of the United States are officers exercising functions of justice of the peace under the laws of the Commonwealth," and that "Congress might appoint justices without commissioning them as judges during good behavior or giving them fixed salaries."

That would take such justices from under the constitutional requirements as to Federal judges. Congress is empowered by the Constitution to give to them the jurisdiction and functions that it pleases.

The Supreme Court has decided (1 Wheat. 304, 337) that "Congress can not vest any portion of the [judicial] power in State courts, only in courts established by itself," but it can establish any form of court it sees fit to try offenses against Federal laws.

Hence one available and most promising plan to forward and secure prohibition enforcement in more satisfactory fashion is to adopt the Harris plan.

RELIEF OF HAY GROWERS IN CERTAIN TEXAS COUNTIES

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 4818) for the relief of hay growers in Brazoria, Galveston, and Harris Counties, Tex., which was ordered to lie on the table and to be printed.

MANUFACTURE OF STAMPED ENVELOPES

Mr. BROOKHART submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 144) relating to the manufacture of stamped envelopes, which was ordered to lie on the table and to be printed.

CHANGE OF REFERENCE

Mr. JONES. Mr. President, House bill 16129, to provide for the acquisition of a site and the construction thereon and equipment of buildings and appurtenances for the Coast Guard Academy, was referred, evidently by mistake, to the Committee on Public Buildings and Grounds. It comes entirely within the jurisdiction of the Commerce Committee, and I ask that the Committee on Public Buildings and Grounds may be discharged from the further consideration of the bill and that it be referred to the Committee on Commerce.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

INCREASING LIMIT OF EXPENDITURE FOR INDIAN SURVEY

Mr. FRAZIER submitted the following resolution (S. Res. 303), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditure to be made under authority of Senate Resolution No. 79, Seventieth Congress, agreed to February 1, 1928, providing for a general survey of the condition of Indians in the United States, is hereby increased from $30,000 to $60,000.

GRANVILLE AND DOROTHY M. PEARSON

Mr. DALE submitted the following resolution (S. Res. 304), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1928, to Granville M. Pearson and Dorothy M. Pearson, son and daughter, respectively, of Granville W. Pearson, late an employee of the Senate under the direction of the Sergeant at Arms, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House agreed to the amendment of the Senate to the bill (H. R. 10472) to authorize the appointment of Master Sergeant August J. Mack as a warrant officer, United States Army.

LOAN OF WAR DEPARTMENT EQUIPMENT TO AMERICAN LEGION

Mr. REED of Pennsylvania. Mr. President, on the calendar is the bill (S. 5013) to authorize the Secretary of War to lend War Department equipment for use at the eleventh annual convention of the American Legion, for its national encampment at Louisville during the coming summer. The House has just passed and sent to the Senate a bill in exactly the same words, omitting only the name of the director of the convention. Its consideration will lead to no discussion I am sure. I ask unanimous consent that the Committee on Military Affairs may be discharged from the further consideration of the House bill, that the bill (H. R. 15472) may be substituted for Senate bill 5013, and that the House bill may now be considered and passed.

Mr. WARREN. I have no objection provided it leads to no debate.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15472) to authorize the Secretary of War to lend War Department equipment for use at the eleventh annual convention of the American Legion, which was read, as follows:

Be it enacted, etc., That the Secretary of War be, and is hereby, authorized to lend at his discretion, to the Eleventh National Convention Corporation, American Legion, for use at the eleventh national convention of the American Legion to be held at Louisville, Ky., in the months of September and October, 1929, 10,000 cots, 20,000 blankets, 20,000 bed sheets, 10,000 pillows, 10,000 pillowcases, and 10,000 mattresses or bed sacks: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered at such time prior to the holding of the said convention as may be agreed upon by the Secretary of War and the American Legion, Department of Kentucky, through the director of the Eleventh National Convention of the American Legion: *Provided further*, That the Secretary of War, before delivering said property, shall take from the said Department of Kentucky, the American Legion, a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 5013 will be indefinitely postponed.

REGULATION OF IMMIGRATION

Mr. BLEASE. Mr. President, there are on the calendar two bills, the bill (S. 5093) to authorize the issuance of certificates of admission to aliens, and for other purposes, and the bill (S. 5094) making it a felony, with penalty, for certain aliens to enter the United States of America under certain conditions in violation of law. Both measures have the unanimous indorsement of the Committee on Immigration, and, also, they have been indorsed by the Secretary of Labor and the Commissioner of Immigration. I desire to ask unanimous consent for their immediate consideration.

Mr. WARREN. I shall have no objection, provided they lead to no debate.

Mr. BLEASE. I do not think there will be any question about the passage of these bills.

Mr. REED of Pennsylvania. Mr. President, may I ask the calendar numbers of the bills?

Mr. BLEASE. They are Calendar Nos. 1483 and 1484. There is a unanimous report from the Committee on Immigration, and the bills are indorsed by the Secretary of Labor and the Immigration Commissioner. There are going to be some matters along this line taken up in the House on Friday. I had a talk with Chairman JOHNSON last night and he asked me to get the measures over to the House before then if I possibly could.

Mr. REED of Pennsylvania. Will the Senator be willing to withhold his request for half an hour to enable us to read the bills?

Mr. BLEASE. That will be agreeable to me. The Senator will find the reports with the bills.

Mr. BLEASE subsequently said: Mr. President, the Senator from Pennsylvania [Mr. REED] does not now object to the consideration and passage of the two bills which I asked to have considered a few moments ago. I now ask unanimous consent for the consideration of Senate bill 5093.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Is there objection to the present consideration of the bill referred to by the Senator from South Carolina?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 5093) to authorize the issuance of certificates of admission to aliens, and for other purposes, which was read as follows:

Be it enacted, etc., That an alien who has been lawfully admitted to the United States for permanent residence and who has continued to reside therein since such admission, shall upon his application to the Commissioner General of Immigration, in a manner to be by regulation prescribed, with the approval of the Secretary of Labor, be furnished with a certificate made from the official record of such admission. Such certificate shall be signed by the Commissioner General of Immigration and shall contain the following information concerning such alien: Full name under which admitted; country of birth; date of birth; nationality; color of eyes; port at which admitted; name of steamship, if any, and date of admission. Such certificate shall also contain the full name by which the alien is then known, his signature, and his address. A photograph of the alien shall be securely attached to the certificate, which shall bear an impression of the seal of the Department of Labor.

SEC. 2. Such certificate shall be prima facie evidence of the lawful admission of such alien. A fee of $3 shall be paid by such alien to the Commissioner General of Immigration for each such certificate. The moneys so received by the Commissioner General of Immigration shall be paid over to the disbursing clerk of the Department of Labor, who shall thereupon deposit them in the Treasury of the United States, rendering an account therefor quarterly to the General Accounting Office, and the said disbursing clerk shall be held responsible under his bond for such fees.

SEC. 3. This act shall take effect July 1, 1929.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BLEASE. I ask unanimous consent for the present consideration of Senate bill No. 5094.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 5094) making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law, which had been reported by the Committee on Immigration with an amendment, in section 2, page 2, line 9, after the word "hereunder," to insert the words "the clerk shall notify the marshal who has the prisoner in custody and he," so as to make the bill read:

Be it enacted, etc., That any alien who has been arrested and deported in pursuance of the provisions of the immigration act of February 5, 1917, or the immigration act of 1924, and who thereafter shall enter the United States in violation of law shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine not to exceed $1,000 or by imprisonment for a term of not more than two years; and upon payment of the said fine or at the expiration of the term of said sentence shall be taken into custody upon the warrant of the Secretary of Labor and deported in the manner provided in the immigration act of February 5, 1917.

SEC. 2. That upon the conviction of any person or persons under the provisions of the above section, the clerk of the said court shall promptly notify the Secretary of Labor thereof, and of the terms, place, and date of the expiration of the said sentence; and upon the payment of any fine imposed in lieu of imprisonment hereunder, the clerk shall notify the marshal who has the prisoner in custody and he shall detain the prisoner for a period not to exceed five days if so much shall be necessary for his or her apprehension and being taken into custody under warrant of the Secretary of Labor as heretofore provided.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TIMBERLANDS IN YOSEMITE NATIONAL PARK

Mr. WALSH of Montana. Mr. President, there is pending before the Congress, now in the hands of the conference committee of the two Houses, a bill which empowers the Secretary of the Interior to condemn any and all lands held in private ownership in national parks. It has been represented that there are certain timberlands in the Yosemite National Park which are likely to be logged out during the ensuing year. That is offered as the reason why urgency in that matter is necessary.

I am this morning in receipt of the following telegram:

LOS ANGELES, CALIF., *January 22, 1929.*

Hon. THOMAS J. WALSH,

United States Senate, Washington, D. C.:

Referring to a dispatch from Washington in the Los Angeles Times of to-day, stating that the lumber company owning lands in Yosemite Park plans to begin operations within the park on April 1, next, I beg to advise you on behalf of Arthur H. Fleming and myself, who control the company referred to, Yosemite Lumber Co., that that company does not plan or intend to operate within the park at any time this year, and will not do so. We have so advised Senator SHORTRIDGE.

ROBERT C. GILLIS.

I ask that the telegram be referred to the committee of conference on the bill to which I have referred, the Interior Department appropriation bill.

The VICE PRESIDENT. Without objection, it will be so referred.

FIRST DEFICIENCY APPROPRIATIONS

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The question is on the motion of the Senator from Tennessee [Mr. MCKELLAR] to suspend paragraph 3 of Rule XVI for the purpose of proposing the amendment relating to tax refunds, which has heretofore been read.

Mr. MCKELLAR. Mr. President, on yesterday, when the Senate took a recess, we were discussing the question of tax refunds. I want to call the attention of Senators this morning to this situation: During the last eight years the Treasury Department, under its back-tax system, has collected $3,900,000,000, in round figures. The department has engaged in that work an army of back-tax attorneys and agents. How much that army of tax attorneys and agents cost the Government I do not know, but I think that during the time I have stated it may be safely estimated that the cost to the Government for that service has been not less than half a billion dollars. Frequently heretofore, when this subject has been brought up, the Internal Revenue Bureau has replied that it is true the service has cost a great deal of money, but that the refunds amounted to only about one-fourth, or 25 per cent, of the money actually collected.

Now, I wish to call the attention of the Senate to the fact that in connection with the collection of Federal back taxes no citizen knows when he is going to finish paying such back taxes. If he sells a piece of property he has to figure in making the contract the probable amount of back Federal taxes that may be assessed against the transaction. If he transfers stock he has got to make similar careful calculations. This puts the average taxpayer in an embarrassing and oftentimes in a hazardous situation. He is constantly under the menace of a re or back assessment. It is unfair and unjust to the plain, everyday, average taxpayer and business man. Frequently that situation interferes with the free sale of stocks or other personal property, and also of real estate, because the taxes are at times quite excessive. In other words, under our present system of the collection of back Federal taxes no man knows when his is going to get through paying the Federal reassessments.

A Federal agent goes to Richmond, for instance, and decides who, in his judgment, should pay additional back taxes. No one ever knows when he has finished paying. So the question of back Federal taxes has come to be one of the serious questions in business in this country. If it were necessary, if good

results came from this system, all well and good; if the gentlemen whose returns are reexamined have not been paying the proper amount of taxes, all well and good; but let us see what is the practical result of this system that has been going on in the Treasury Department for a number of years.

Mr. President, I will give the figures according to the admissions of department officials found in the testimony. Keep in mind that the amount collected since the institution of the system of back taxes is $3,900,000,000. What have they paid out according to their own figures? Let us add together the amounts they have paid out and see what the sum is. In the first place, they admit that up to 1928 they have refunded in cash under this secret system $935,000,000. We appropriated $130,000,000 more for 1929, and all of that sum is practically gone, and they are now asking for a deficiency appropriation of $75,000,000. The amounts paid out in cash up to 1928 and the appropriation for 1929, together with the deficiency appropriation now proposed, aggregate over a billion dollars. It is admitted in the testimony that they have allowed in credits and abatements $1,679,000,000, but that sum of $1,679,000,000 was allowed in credits from 1923 to 1928. They leave out 1921 and 1922. They say that the amount has been less each year, and that, in a way, is true. They paid out in 1923, in credits, $306,000,000. Assuming, according to the testimony of Mr. Bond, that the amount is lessening each year, then they must have paid out not less than $306,000,000 for 1922 and $306,000,000 for 1921. That adds $612,000,000 more. Department officials say the payments are continuing to lessen. The credits for 1928, according to their testimony, were $199,000,000; and, assuming that for 1929 they have allowed in credits only $150,000,000, the aggregate of those several sums is $3,506,000,000.

Now, listen to this: They have collected $3,900,000,000 in all this time; they have paid out in credits or in actual cash $3,506,000,000. In other words, when we take the expenses of running this vast machine under the appropriations which have been made year by year for the purpose of collecting back taxes from the American taxpayer and add them up it will be found that such expenses have amounted to more than $400,000,000 during that period. It will be found, therefore, that, instead of the system of collecting back taxes netting the Government money, the Government is losing money under the back tax and refund system combined.

In addition to that, it is all done in secret. All these sums are paid out in secret; nobody knows anything about them. When I asked the question on behalf of the committee as a member of the committee I was informed that it was against the law for any Treasury official to tell what the sums were, to whom they were paid, or anything about them. In other words, the bureau says to the Congress of the United States, "We demand $75,000,000 as a deficiency appropriation for this year," and when the question is asked, "What are you going to do with it?" the reply comes, "It is none of your business; you furnish us the money;" and it is proposed by this bill to furnish them the money under circumstances like that.

Why, Senators, we can not let this thing continue. These refunds are constantly mounting. To my mind we are violating our trust when we permit such a system to go on.

Now, Mr. President, I come to the next proposition.

The Secretary of the Treasury has written a letter in which he makes certain defenses of this system, and I want to call attention to that letter.

The first defense that the Secretary of the Treasury enters in this letter is that, he says, the proposed change is revolutionary. To my mind it is a revolutionary thing for this bureau to back-assess American taxpayers and collect out of them in reassessments $3,900,000,000, less the expenses, and pay it all out to other taxpayers secretly. I say that that is a revolutionary system; it is an un-American system; it is a system that none of us should vote to keep in vogue; it is a system that none of us can defend. Mr. Mellon, with all his ability, can not defend it. It is revolutionary, it is true; but the revolutionary part of it is in the conduct of this system and not in its abolishment.

We ought to abolish this secret system. We ought to abolish this system that is so fraught with danger to the American people—a system which each year turns over to taxpayers, we know not how, we know not to whom, we know not in what amounts except in two or three cases, this enormous sum of money. It is done within the four walls of the bureau, with nobody having any supervision of it, and, indeed, no one has ever appeared who has said, "I did it, and here are my reasons." The commissioner says he does not do it. The Secretary says he has nothing to do with it.

To be sure, we gave a supervision to the Joint Committee on Internal Revenue Taxation. We have seen their reports. They have never examined but one case, and they said they would not interfere with that, though $57,000,000 was paid out in that one case. Why, Senators, let me call your attention to the fact that greater amounts are involved and are being paid out every day by this secret committee or committees in the Bureau of Internal Revenue than are being passed upon, perhaps, by all the courts in the country. I doubt if the aggregate of every dollar passed upon by all the Federal courts in this country in the last eight years anything like reaches the enormous sum of $3,506,000,000 that has been paid out in this department within the same eight years.

But what is Mr. Mellon's next excuse? The next excuse is that the Board of Tax Appeals is now overburdened and that we ought not to give it any more jurisdiction.

The Board of Tax Appeals now has jurisdiction to pass upon and determine the cases where the taxpayer needs redress. Why should it not have jurisdiction of all the cases? Why should the Treasury Department, with this record of inefficiency, continue its present system? And, let me ask, what sort of a back income-tax system have we when the Secretary of the Treasury and his agents admit that they have made $3,506,000,000 of mistakes in the last eight years and they have to refund this enormous amount either by giving credits or by paying out the actual cash?

Are you satisfied with such a system? Is there a Senator here who is satisfied with it? If so, I should like to have him speak out here and now. I want to see who it is that is satisfied with a system of this kind. It is a system that can not be defended; and I take it that no Senator will rise in his place and undertake to defend this system.

The Secretary says, however, that the proposed change will give too much work to the Board of Tax Appeals. The Board of Tax Appeals is not complaining of it. We have heard nothing from the board against it. I have no doubt that it can do this work, and do it well. We have established that board to pass upon tax questions of exactly this kind where the taxpayer is involved. Why should it not pass upon the questions where the Government is involved as well? What reason can be advanced for not giving this board or some other board of similar character this power? This one is already established. It ought to have this jurisdiction. If it can not do all the work, we can add to its personnel or to its staff of assistants.

I wish to stop here long enough to say that I was not so certain when the Board of Tax Appeals bill was first proposed that the Board of Tax Appeals could do the job; I did not know but that it would be too much under the influence of the department; but apparently the Board of Tax Appeals has functioned well. Its members are seemingly trying to do their duty in an honest, straightforward way. I think one of the most noted cases that the Board of Tax Appeals had before it was the case where the Government—the Treasury Department, if you please; the Bureau of Internal Revenue, if you please—sought to collect from the senior Senator from Michigan [Mr. COUZENS] in back taxes a sum amounting, as I remember, to $10,000,000. It may have been eleven millions, but I think it was $10,000,000. Whatever the sum, it was a very large sum; and they were actually forcing him to pay it in when he took the matter to the Board of Tax Appeals, and the board determined not only that that back assessment was wrong, but that the Senator from Michigan was entitled to a refund of something like a million dollars.

I say that in this case and in other cases the Board of Tax Appeals has shown itself to be a fair-minded, uninfluenced, and unbiased judicial body, seeking to do its full duty by the people and by the Government. For heaven's sake, if we have a body of that sort, why can we not confer this power upon it? The work of that board is in the open. It is in the open light of day. There is no secrecy about it. Every taxpayer has the right to go before it. The Government has the right to have its agents there and its attorneys there in a fair, frank, open, honest way. There is no secrecy about it. They can make their proof. Both sides of the controversy have every right. Why should we not give this additional authority to that board? It is perfectly willing to take that authority.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Georgia?

Mr. McKELLAR. I yield to the Senator.

Mr. GEORGE. Let me ask the Senator if his amendment would place any additional burden by way of expense upon the taxpayer?

Mr. McKELLAR. In my judgment it will save the taxpayer a very considerable sum. They have over 200 lawyers alone, according to this record, in the solicitor's office looking after tax refunds.

Mr. GEORGE. And it would not result in delay?

Mr. McKELLAR. Instead of delaying, it would expedite matters. I am glad the Senator has brought up that subject, because I want to take it up at this time.

I am talking about the Board of Tax Appeals now. The excuse the Secretary uses is that the Board of Tax Appeals is overburdened. That is an excuse that has been made in every case we have ever had. Whenever we want to give additional jurisdiction to a board that is already functioning and doing its duty, the excuse is made, "Oh, well, they have too much jurisdiction now. They have too much business before them. They can not do it."

The Board of Tax Appeals can do it, and at very little added expense. I doubt if it will be necessary to incur any expense, except for clerk hire and perhaps a few experts; but it would be infinitely less expensive than to keep up this enormous and expensive establishment that they now have in the Treasury Department.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BLAINE. I desire to call attention to the fact, and—if the Senator from Georgia will give me his attention—to answer his question fully by saying that in the course of an investigation of this proposed amendment, as chairman of a subcommittee of the Judiciary Committee, I consulted with the board. I find, after consulting with them, that they are peculiarly well equipped to take care of the duties which are proposed to be conferred upon them. Their accountants and attorneys are all familiar with the very subject over which we propose that the board shall have additional power. I am informed by a member of the board that while they may need additional accountants and clerks for purely technical duties on account of the additional work that will come to them——

Mr. McKELLAR. In examining the files?

Mr. BLAINE. In examining the files—that between $50,000 and $100,000 will meet all the additional expense; and the Commissioner of Internal Revenue could be relieved of that much of the burden, and thus the expense of the commissioner would be reduced.

So the cost to the Government will be no greater than at present. In fact, in my opinion, by coordinating all this work on tax appeals, credits, and refunds, there will be a tremendous saving in expense, and it will expedite the actual work that the Tax Appeals Board now have before them.

Mr. McKELLAR. Absolutely.

Mr. BLAINE. In other words, the coordination of all these matters into one board will greatly aid in the efficient administration of the tax laws.

Mr. McKELLAR. Absolutely; and I thank the Senator for his contribution to this debate.

I want to say, further, that the Secretary next gives as an excuse that the proposed change will cause delay and the payment of additional interest. Think of it. Here is an official charged with making these refunds under the present law who is paying out the Government's money in millions, and paying out interest on it in millions. Here are the only two cases we have. I will call attention to both of them in a moment. One of them is the Steel Co. case, which has been unsettled for more than 10 years. Under the Secretary's department it has been delayed for more than 10 years. It has been delayed long enough to bring about an interest payment in the one case of $10,000,000; and the Secretary of the Treasury is saying that the adoption of an open system like this, where the thing can be done in order, where it can be done openly, where it can be done aboveboard, and expeditiously is going to result in the delay of claims, and an increase of interest payments, he says, of $13,500,000.

Why? The Secretary of the Treasury has just paid out, because of the delay in settling the one Steel Co. case, $10,000,000 in one case; and if the facts in other cases are as they are in that case, a very large part of these appropriations that we are making pell-mell, without any knowledge as to what we are doing, is being paid out in interest to certain large taxpayers of the country. I say that his excuse of it saving the Government interest is ridiculous and absurd, in the face of the undisputed facts. The idea of a man talking about these things being delayed, when the record shows many thousands of them have come over from 1917, and are still unpaid and unsettled.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Tennessee yield to the Senator from North Carolina?

Mr. McKELLAR. I yield.

Mr. SIMMONS. I am interrupting the Senator in a sympathetic spirit. I would like to know at what stage of the procedure for refunds a case would go from the commissioner to the Board of Tax Appeals.

Mr. McKELLAR. As soon as the commissioner settles it. If he settles it against the Government it goes before the Board of Tax Appeals as a matter of course. If the commissioner settles it against the taxpayer, the taxpayer, under rules and regulations established by the Board of Tax Appeals, can, by petition, take it there and have it settled. In other words, every right of the taxpayer and of the Government can be speedily settled in this way.

Mr. SIMMONS. Then the Senator's amendment simply means this, that after the department has, in the regular course of procedure there, settled a controversy between the Government and a taxpayer, either party to that controversy may ask that it be transferred to the Board of Tax Appeals?

Mr. McKELLAR. If it is decided against the Government, it goes before the board as a matter of course; if it is decided against the taxpayer, the taxpayer can take it up. Every case involving over $10,000 goes to the Board of Tax Appeals if it is decided against the Government.

I am now coming to the next excuse offered by the Secretary.

Mr. REED of Pennsylvania. Mr. President, before the Senator passes to another subject, will he submit to a question?

Mr. McKELLAR. I will, gladly.

Mr. REED of Pennsylvania. I would like to have the attention of the Senator from North Carolina. The Senator from Tennessee has answered the question of the Senator from North Carolina by saying that this would speed up the making of refunds where it was proper that refunds should be made.

Mr. McKELLAR. I think it would.

Mr. REED of Pennsylvania. I understand that at the present time the Board of Tax Appeals has about 20,000 cases on its docket undisposed of. How would it speed up the making of a refund to put a case at the foot of that docket of 20,000 pending cases after the administrative officials had decided that the refund ought to be made?

Mr. McKELLAR. Mr. President, the Senator has not kept up with the evidence, I am sure, or he would know that the great number of cases technically before the bureau now is the result of the fact that every large taxpayer—the Assistant Secretary, Mr. Bond, limits it to the large taxpayer—when he pays his initial taxes on his own report of what is due, at that very time files a claim for a refund, not that he is entitled to a refund, but because he hopes that some change in opinion in the department, some change in some ruling of the department, within the next five years, as the limitation is now, will enable him to ask, under such a ruling, for a refund in whole or in part.

Mr. REED of Pennsylvania. They would still continue doing that; would they not?

Mr. McKELLAR. Not at all. They would have to file their claims before the Board of Tax Appeals. They would not do it unless the Board of Tax Appeals failed to do their duty, and I do not believe they would fail.

Mr. GLASS. May I ask the Senator why every taxpayer does that now?

Mr. McKELLAR. I will give the Senator the answer of Mr. Bond. Mr. Bond says that the large taxpayer does it out of abundance of caution, for the purpose of taking advantage in the future of any change in ruling whereby the taxpayer can possibly get something back which he did not at the time of payment think he was entitled to.

Mr. GLASS. Does not the Senator know perfectly well that he does it because the Government itself has instituted a system of jeopardy assessments, assessing taxpayers twice as much as they know the taxpayers ought to pay?

Mr. McKELLAR. Yes, Mr. President; sometimes there are jeopardy assessments, of course.

Mr. GLASS. That is why any taxpayer with three grains of sense ought to make such reservation, when the Government is trying to take every advantage of the taxpayer that it can.

Mr. McKELLAR. Yes, Mr. President; and it just goes back to the iniquities of the present system. I am complaining of the system, this system of the Government undertaking to reassess all the taxpayers of this country, keeping their cases before them for a period of five years, and then saying to the taxpayer, "We have not attended to your matter, we have not examined into your matter; it is true it has been nearly five years, but unless you waive the statute of limitations we are going to put a jeopardy assessment against you." It is all wrong and it ought to be abolished. There ought to be an end to that iniquitous system. The matter ought to be closed up within one year, unless there is fraud on the part of the taxpayer. I think the system is indefensible.

Mr. GLASS. What I protest against is the criticism of the taxpayer by the Senator, rather than criticism of the Government.

Mr. McKELLAR. I am not criticizing the taxpayer. I have been standing here two days trying to protect the taxpayer against the iniquities of this system.

Mr. GLASS. Why should the Government be permitted to make these jeopardy assessments against taxpayers?

Mr. McKELLAR. It ought not to be. For the past 8 or 10 years I have been striving to correct that matter. I have offered an amendment to every revenue bill brought before the Senate to reduce the time limit within which these reassessments could be made. I think the taxpayer ought to know at some time that he has finished paying taxes to the Government.

To illustrate the effect of allowing the Internal Revenue Bureau to wait five years to take such action, let me take the return of the Senator from Pennsylvania five years ago.

Mr. GLASS. The limitation is two years now.

Mr. REED of Pennsylvania. The limitation is three years now.

Mr. McKELLAR. Three years.

Mr. GLASS. I think if he will examine the law the Senator will find it is two years.

Mr. McKELLAR. My amendment making it one year was voted down, and my amendment making it two years was voted down.

Mr. GLASS. I do not refer to the Senator's amendment, but I know that the Senator from South Carolina [Mr. SMITH] had an amendment attached to a revenue bill reducing it to three years, and I know that last year I had an amendment attached to a revenue bill reducing it still further to two years.

Mr. McKELLAR. Five years ago it was five years, anyhow, and I am going to give my illustration. A young man from the tax office would come to the Senator from Pennsylvania and say, "We have allowed nearly five years to pass by since you paid your taxes for 1923, and the time limitation will be up in a few days. We will make a jeopardy assessment against you unless you agree to waive the statute of limitations." In that way an assessment is made, and they go back year after year. The period of limitation of three years is virtually valueless. And may I add that interest is running against the Government all the time. The limitation of any number of years would be valueless. The taxpayer never knows when he gets through paying taxes under this system. It is a wrong system, an indefensible system.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Tennessee yield to the Senator from North Carolina?

Mr. McKELLAR. I yield.

Mr. SIMMONS. I want to see if I can elicit some information from the Senator from Tennessee on a point which I think very important. When complaints have been made to the department about these excessive refunds, the answer has generally been that the making of the refunds was the result of this great number of jeopardy assessments, which the department was forced to make in order to protect the Government. It is easy to see that where there is a jeopardy assessment the taxpayer may be very grossly wronged.

Mr. McKELLAR. That is true.

Mr. SIMMONS. And may be required to pay a very exorbitant amount of money to the Government without warrant of law. I want to ask the Senator whether he has made any investigation and is now in a position to afford the Senate any information as to what part of these enormous refunds about which he has been speaking is due to jeopardy assessments?

Mr. McKELLAR. I will give the Senator the best information I have, and that is from Mr. Bond himself. Heretofore, as I have already stated, the bureau has taken the position that they had paid out only $935,000,000 in refunds, and that was about one-fourth of what they had collected in the way of reassessments, and therefore this scheme of collecting back taxes was a money-making scheme. I asked Mr. Bond for the amount of credits, which is just the same as cash; they are allowed on taxes for future years, and amount to exactly the same thing as cash. Mr. Bond did not think he had the information, but I wrote him a letter and called his attention to the information, and told him where he could get it. Thereupon he gave me the information covering six years. But when he gave it to me he wrote me a letter in which he undertook to explain the very thing the Senator is now asking, and I hope the Senator will let me read Mr. Bond's letter. I want to say that, in bringing this matter up, I am not attacking Mr. Bond, or Mr. Blair, or anybody else. I am trying to get the facts before the Senate, because I believe the present system that we have in this country of collecting back taxes is an infamous system, and that it ought to be abolished. The taxpayer ought to know, after a reasonable time, anyhow, when he has finished paying his taxes. It is a let and a hindrance to every honest taxpayer in the land. The big taxpayer can get by under this system because the bureau regards his payment of taxes as provisional, as stated by Mr. Bond, and he can file his claim for refunds when he pays his tax, and knows he will receive 6 per cent interest on whatever he gets back. But the average taxpayer pays his tax as a payment, and he wants it to be final.

Mr. SIMMONS. Of course there are two ways by which the taxpayer gets the benefit. One is by the department simply making an estimate and abating so much, and the other is by actual refunding.

Mr. McKELLAR. Yes.

Mr. SIMMONS. Of course a rebate, if it is the result of a jeopardy assessment, would be in the same category, and would be equivalent to a refund.

Mr. McKELLAR. I will tell the Senator what Mr. Bond said.

Mr. REED of Pennsylvania. From what page is the Senator about to read?

Mr. McKELLAR. I am reading from the RECORD of January 14, page 1670. I intend to read Mr. Bond's letter. I think that is due him. He is a conscientious man. He just has a bad system, a secret system to deal with, that is bringing the department into disrepute, and has already brought it into disrepute. But I think his explanation ought to be read at this time, and I am going to read it. His letter states:

JANUARY 14, 1929.

MY DEAR SENATOR MCKELLAR: I inclose a memorandum from Mr. Mires, assistant to the Commissioner of Internal Revenue, which gives you most of the information which you requested in your letter of January 11. I regret that in the limited time it has not been possible to furnish more complete information. For the reasons that I explained at the hearing before the Senate Appropriations Committee the law does not permit me to give you the names of these taxpayers, even if it were possible to prepare the list within the time available.

I must point out to you in connection with this information that it is my opinion it is very misleading to submit a total of statements and credits. The reasons are several.

He states just one. What he is talking about is the item of $1,679,000,000 for the six years from 1923 to 1928, inclusive. Here are his reasons:

Many taxpayers included questionable items in their returns under the 1917 and 1918 acts and filed claims for abatement at the same time to protect their interests. As soon as these claims had been passed on many were promptly allowed and the tax abated.

That does not come into these figures, because he does not give us the figures for those years. But those abatements need not be considered. It would make the sum a very much larger sum if they should be considered.

Mr. REED of Pennsylvania. Surely the Senator does not mean that. The figures that are given show the amounts abated in these particular fiscal years. That is, the Steel Corporation abatement or refund will show in the fiscal year 1929, although it has reference to the 1917 tax.

Mr. McKELLAR. They were not included in this.

Mr. REED of Pennsylvania. Yes; they would be.

Mr. McKELLAR. No; they are not included in the figures I have given of $3,506,000,000. I read Mr. Bond's letter:

Many abatements have been made by reason of court decisions and in conformity thereto.

The amount that has been abated by reason of court decisions would be comparatively infinitesimal.

Mr. REED of Pennsylvania. Mr. President, will the Senator again yield?

Mr. McKELLAR. I yield.

Mr. REED of Pennsylvania. I would like to have the Senator give the figures if he has them.

Mr. GLASS. Mr. President, I submit——

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. GLASS. I submit that the Senate would like to hear Mr. Bond's letter. If we are to have a speech after every sentence of Mr. Bond's letter, I confess my inability to keep track of it.

Mr. REED of Pennsylvania. I agree with the Senator; if he refers to a speech and not a question. Will the Senator from Tennessee permit me to ask a question?

Mr. McKELLAR. I yield to the Senator. I happen to be reading Mr. Bond's letter and surely there is no rule against my commenting on it.

Mr. REED of Pennsylvania. In the decision of the Supreme Court as to the amount to be deducted in the case of income from insurance, over $35,000,000 of refunds was involved.

Mr. McKELLAR. Compare $35,000,000 with $1,679,000,000 and it will be found that my statement is fairly accurate.

Mr. REED of Pennsylvania. That is only one case out of a great many.

Mr. McKELLAR. Oh, no; that is the one specifically referred to in the letter.

2. Many abatements have been made by reason of court decisions and in conformity thereto.

And, of course, they should be excluded.

3. In the earlier years of the bureau when the work was congested it was often necessary to make many jeopardy assessments to protect the interests of the Government against the running of the statute of limitations and in these cases an amount sufficiently large to protect the Government was necessarily named, the excess being abated after the correct figure had been later determined.

4. Many abatements are made on the recommendation of collectors because assessments have proven to be uncollectible and this is the only way in which the collector can be relieved of his responsibility under his bond.

5. Many abatements are made because it is found that the tax should be assessed to a different person or corporation after the case has been carefully examined and the abatement is in effect a transfer of the assessment to another name.

6. At certain times it has been necessary to make assessments of the same tax to all of the corporations of a consolidated group or to a large number of transferees under section 280 of the 1926 act, and in these cases when the tax has been paid in full by one of the parties the assessment against the others are abated.

7. With respect to the year 1923 the revenue act of 1924 contained a retroactive provision which reduced the assessments by 25 per cent for the year 1923 and this excess had to be abated on all outstanding assessments.

I do not have the amount of that, but it was not as large as it was in the insurance cases, as I recall.

These are the principal reasons why these figures on abatements and credits seem to me to have no real significance and would be misleading. I trust that if the figures are used this statement of their lack of value may be read at the same time.

I am giving Mr. Bond's statement just as he wrote it, and to which I do not agree, because if the amount of abatement made under the exceptions noted by Mr. Bond amounted to a great deal, they would be placed here so we could have the information.

Mr. GLASS. Mr. President, if I may interrupt the Senator——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Virginia?

Mr. McKELLAR. I yield.

Mr. GLASS. I call attention to the fact that the inquiry made by the Senator from North Carolina [Mr. SIMMONS] has been answered neither by the Senator from Tennessee nor by Mr. Bond's letter. What the Senator from North Carolina inquired was what proportion of the refunds or rebates applies to jeopardy assessments, and there is no word in Mr. Bond's letter to indicate what the proportion is, nor has the Senator from Tennessee told us what the proportion is. I conjecture that a very great proportion of it is due to the fact that the Government levies these unconscionable jeopardy assessments against a taxpayer, in which event it ought to be made to refund—in fact, it ought to refund without being made to do so and putting the taxpayer to the inordinate expense and trouble of having to hire actuaries and lawyers to recover his money.

Mr. SIMMONS. The Senator is absolutely right about that.

Mr. McKELLAR. I am frank to say that neither what I have said nor what the Assistant Secretary has written answers the question as the Senator from North Carolina asked it. He wanted accurate information. Neither the letter nor anything I can say gives that accurate information. The Assistant Secretary, if he had accurate information, did not give it. He ought to have it if the books are kept properly in the Treasury Department. He ought to have that information there, but he did not give it to me.

Mr. GLASS. The Senator did not ask for it.

Mr. McKELLAR. Oh, yes; I did ask for it.

Mr. GLASS. It does not appear so here. I have read every word of the testimony.

Mr. HEFLIN. The Secretary ought not to wait to be asked for it.

Mr. McKELLAR. No; he ought not. Mr. Bond was given every opportunity to make every excuse and give every reason why the large credits were paid out, and I am giving the best he had to offer. I am giving the Senate every excuse that he offered in the very words in which he offered it.

I can not get the information because when I, as a member of the Appropriations Committee, asked the question I met with refusal on the ground that "the law says we must not give you that information."

Mr. SIMMONS. It is not necessary to give any names to give the information.

Mr. McKELLAR. If the hearings are examined, it will be seen that time and again the officials of the Internal Revenue Office replied, "We can not give you the information because it is against the law."

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Virginia?

Mr. McKELLAR. I yield.

Mr. GLASS. I apologize for interrupting the Senator so often, for the reason that I was a member of the subcommittee and being obliged to leave town I did not attend the meeting of the committee at which Assistant Secretary Bond and the Commissioner of Internal Revenue appeared. But to cover that disqualification of mine, I have read every line of testimony taken. Neither the Senator from Tennessee nor any member of the subcommittee asked for the information that the Senator from North Carolina desires, and I do not find that the Senator from Tennessee discussed with any one of the experts of the Treasury one solitary provision of the proposed amendment that is here now. Yet the Senate is expected to enter into these abstruse questions of taxation and procedure without the opinion of an actuary in the Treasury Department.

Mr. McKELLAR. I want to say in answer to what the Senator said that if he regards as an abstruse question the matter of the Bureau of Internal Revenue collecting $3,900,000,000 in back taxes, with an army of back-tax collectors going all over the country examining the books and papers of every income-tax payer in the country, if he regards it as an abstruse question when it is undisputed that that is done, and then when the facts are shown that they have been paid back in refunds and credits during the same period the enormous sum of $3,506,000,000—if he regards that as a vague, indefinite, abstruse question, then I disagree with him. I do not think it is. I think we have the facts on which we ought to base a change of the system. Any system of back-tax collecting which results in the collection from taxpayers of the enormous sum of $3,900,000,000 and the paying back to certain other taxpayers in secret of $3,506,000,000, I think needs revision. I do not concede that it is an abstruse question.

The Senator from Virginia complains that we have not got the amount of abatements, and that the jeopardy abatements ought to be given here. Why, if it is important, does not the Secretary give it to us?

Mr. SHORTRIDGE. Mr. President, the Senator regards it as important, does he not?

Mr. McKELLAR. Oh, I do not think it is very important. I doubt it very much.

Mr. SHORTRIDGE. I think it is very important.

Mr. McKELLAR. I doubt if it makes $100,000,000 difference in the figures.

Mr. SHORTRIDGE. Why not ask for the specific information?

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Virginia?

Mr. McKELLAR. I yield.

Mr. GLASS. I have regarded as an abstruse proposition the fact that the Internal Revenue Bureau collects hundreds of millions of dollars every year from taxpayers in excess of what is really due. On the contrary, if there has been any Member of this body within the period of my service here who has oftener protested against that practice than I have, I do not know who he is. I have said in the present discussion that I regard as the chief vice of the whole system the taking from taxpayers of money that the Government has no right to take. I say when that is done it is the business of the Government to pay it back, whether it be the Steel Corporation or the Tobacco Corporation or the individual taxpayer. That is what I say about it.

There is nothing abstruse either about the collection of that money or about the paying back, but there is a great deal of abstruseness about the system of assessment and the system of paying back, and the actuarial processes involved, and I say that the Senate can not determine those matters in a random debate here.

Mr. McKELLAR. Yes; but we can give a board that is already instituted, for the very purpose of passing upon similar cases, jurisdiction over those cases to see that it may be done.

Mr. GLASS. How much assurance can the Senator give to the Senate that the actuaries employed by the board will be any more capable than actuaries employed by the Internal Revenue Bureau?

Mr. McKELLAR. It will be done in the open, at any rate. It will not be done in secret.

Mr. GLASS. The question of the openness of it has been brought to the attention of the Senate over and over again, and the Congress is responsible for the secrecy and not the Internal Revenue Bureau.

Mr. McKELLAR. I do not propose to let it be responsible any more if I can prevent it. If it is the fault of the Congress, then I propose that the Congress shall correct that fault.

Mr. GLASS. That is another question.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Arkansas?

Mr. McKELLAR. I yield.

Mr. ROBINSON of Arkansas. On the 4th of January, 1929, there was published in the Washington Post an editorial, which was inserted in the RECORD as of date of January 5, making particular reference to the case of the Endicott-Johnson Shoe Co., shoe manufacturers, in which, after a prolonged contest, that company recovered $851,808 as excessive taxes paid the Government. It appeared that in order to make the recovery the company expended $306,682 to lawyers and tax experts. There is something fundamentally wrong with a system, whoever may be to blame for it, which permits that sort of condition to arise and that sort of case to occur.

Mr. SIMMONS. I did not hear the Senator clearly. Does the Senator mean to say that the Government spent for attorneys——

Mr. ROBINSON of Arkansas. Oh, no; the taxpayer, in order to secure his rights and to recover a tax of $800,000 plus wrongfully levied and collected by the Government, was required or found it necessary to expend, in payment for the services of lawyers and tax experts, the appalling sum of $306,682.

Mr. McKELLAR. To get it back?

Mr. ROBINSON of Arkansas. Yes; in other words, to recover back what was wrongfully exacted from the taxpayer by the Government. Of course, there is a great deal of technical knowledge necessary in the assessment and in the collection of these taxes. An ordinary Senator can not make his tax return if he has any income. He usually secures the assistance of a deputy collector of internal revenue for that purpose, and if he does not do it he is more than likely to make mistakes, and he may make mistakes even if he does secure such assistance. It does appear that a process of simplification could be advanced by some one and, if legislation is necessary, let it be presented to the Congress and enacted into a law that would obviate the difficulty to which I am referring, and which would make unnecessary such cases as that of the Steel Corporation, which the Senator has been discussing, drawn out over a period of almost half a generation, involving all sorts of disputes and controversies, and never reaching a satisfactory end. The case of this shoe company emphasizes the assertion that there is need for a careful study of this subject and a simplification of the revenue laws and of the methods of administration. I realize that one administration may change its rules and regulations, but there ought not to be a hardship imposed upon the taxpayer because the Federal officer does not understand his business.

Mr. McKELLAR. I agree with the Senator from Arkansas and thank him for his interruption and for his facts.

Mr. REED of Pennsylvania. Mr. President——

Mr. McKELLAR. Just one moment. I agree entirely with what the Senator from Arkansas has stated. One of the best ways to get a simpler system would be to allow a reasonable time, say, six months or a year, in which the Government would have the right to scrutinize the tax returns of its taxpayers, and that be an end to it, except in cases of fraud, and stop this enormous refunding of taxes.

Mr. HEFLIN, Mr. REED of Pennsylvania, and Mr. SIMMONS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I will yield in a moment. I wish further to say that this system has brought about a new occupation in this country; it is the business of securing tax refunds, which has grown to be an enormous business, running into the billions of dollars, as we have seen. Some lawyers and some accountants, and some who are neither lawyers nor accountants but who have inside information, go to the taxpayer and make contracts with him, so I am informed.

Mr. REED of Pennsylvania. Mr. President, will the Senator from Tennessee yield to me?

Mr. SIMMONS. Mr. President——

Mr. McKELLAR. I shall yield in just one moment. These men go to the taxpayer, and, on a percentage basis, they make large fees out of the business, so I am told.

Mr. SIMMONS. They take such cases on a contingent basis.

Mr. McKELLAR. They take them on a contingent basis. In the case cited by the Senator from Arkansas, there is no telling what fee the man to whom he referred received. He probably had an agreement for one-half of the amount recovered; apparently he had an agreement for half or one-third of it. Is it not a travesty upon justice and upon the taxpayers of the country that the Government pursues such a course as to make this practice possible?

Mr. ROBINSON of Arkansas. The man to whom the Senator from Tennessee refers evidently did not have an agreement for half of the amount, because the total sum paid lawyers and experts did not quite equal one-half of the $808,000.

Mr. McKELLAR. It may have been a third of it. Probably it should be figured out on that basis.

I was impressed with the excuses given by Mr. Wayne Johnson in the telegram which he sent here. How much more informative, however, it would have been if Mr. Johnson had told us what sort of a contract he had with the United States Steel Co. under which he and his associates recovered $57,000,000 from the Government in that case. I should like to know. I am told that the most lucrative business in which a lawyer or an accountant can engage in the city of Washington is that of securing tax refunds.

Mr. HEFLIN and Mr. REED of Pennsylvania addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Tennessee yield, and, if so, to whom?

Mr. McKELLAR. The Senator from Alabama first asked me to yield. When I shall have yielded to him, I shall be glad to yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. I have been asking the Senator to yield to me for 10 minutes.

Mr. McKELLAR. But even before the Senator from Pennsylvania rose the Senator from Alabama asked me to yield to him, and I now do so.

Mr. REED of Pennsylvania. "Truth crushed to earth shall rise again." [Laughter.]

Mr. HEFLIN. Mr. President, I think the Senator from Tennessee [Mr. McKELLAR] is to be commended by every patriot in the country for the fight he is making. He is waging an honest and fair fight for an open and a fair field to the American taxpayers and to the Government of the United States. The Senator's amendment should become a law, and I hope it may. We should have a record vote on it, and let the people of the country see who is on the side of the big taxpayers who have been compelled under law to bear their share of the burden of Government and then have their taxes handed back to them through a side door of the Treasury Department. The Senator from Tennessee is seeking to have this thing done in the open instead of having clerks single out a given file, reaudit it, and dig out what they think should be rebates, credits, and refunds, so that a big taxpayer may get half a million dollars or five million dollars or ten million dollars returned to him, as the Steel Trust got $26,000,000 at one clip.

Mr. McKELLAR. They got $57,000,000.

Mr. HEFLIN. The Senator from Tennessee states that the Steel Trust got $57,000,000. The Senator from Tennessee is asking that the doors shall be opened and that a court constituted by Congress—and that is what the Board of Tax Appeals is—shall determine these cases so that the public can be present and can ascertain how their money is being taken out of the Treasury and given back to favored taxpayers.

The Senator from Tennessee is not seeking to impose any burden upon any taxpayer; he does not want to withhold a dollar from the overrich. If they have paid it in when they should not have paid it in, the Senator from Tennessee wants it returned, and I want it returned.

Mr. President, the people of this Government—and it is their Government—have a right to know why every dollar in taxes has been returned to the taxpayer. The Senator from Tennessee, the able and brilliant and brave fighter from Tennessee, is asking for an open, fair fight on this question, so that the truth may be known to the public; I am with him, heart and soul, in the fight, and we are going to fight to the finish for the amendment of the Senator from Tennessee.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from North Carolina?

Mr. McKELLAR. I can not yield to the Senator from North Carolina at the moment, because I promised the Senator from Pennsylvania [Mr. REED] to yield to him next.

Mr. REED of Pennsylvania. Mr. President, nothing that I could say could compare with the tribute that has just been paid by the Senator from Alabama [Mr. HEFLIN]. So I think I will withhold my remarks until later.

Mr. McKELLAR. I will be very glad to answer any question the Senator may desire to ask if I can do so.

Mr. SIMMONS. Mr. President, I should like to ask the Senator from Tennessee a question. The magnitude of the figures as to refunds and rebates which the Senator has given is really appalling.

Mr. McKELLAR. It is shocking.

Mr. SIMMONS. I join in saying that the Senator is rendering the country a service in bringing this matter to the attention of the Senate; but I think if the Senator has or can secure information with reference to what percentage of the total he gives as to rebates was because of jeopardy assessments that it would be enlightening to the Senate, and, as a mere matter of justice to the department, it ought to be done.

I myself am surprised, I wish to say to the Senator, that the department has not furnished those figures, because the department generally, as I understand, has defended its action with reference to refunds by alleging that a large part of them were due to jeopardy assessments.

Mr. McKELLAR. Mr. President, if the Senator from North Carolina will permit me to interrupt him for a moment, I should like to say that I have already sent to Mr. Bond, who is a very courteous and delightful and intelligent gentleman, and asked him to furnish the information for which the Senator has asked, because I should like to know and the Senator would like to know, as I imagine every other Senator would like to know, what portion of the total are jeopardy assessments.

Mr. SIMMONS. Mr. President, there is another thing——

Mr. REED of Pennsylvania. Mr. President——

Mr. SIMMONS. Let me finish my interrogatory, if you please. There is another thing which has not been brought to the attention of the Senate, though, of course, it is a matter of common knowledge, namely, that the courts have rendered a great many decisions. It would be unjust to the department, and we ought not to want to be unjust to them——

Mr. McKELLAR. Oh, no.

Mr. SIMMONS. It would be unjust to the department merely to enumerate in making this estimate the refunds made directly to the parties to actions in the courts, because when a court renders a decision upon a question raised as to rebates the department, I think in justice to the taxpayers, has adopted the rule of applying that principle to all other taxpayers who come under the rule laid down by the court. In order to ascertain how much of this money was returned under decisions of the courts we ought to find out not only the amount returned to the litigant under a particular decision but the amount returned to all the taxpayers of the country as a result of such decision.

Mr. McKELLAR. I hope the Revenue Bureau will give us the information.

Mr. SIMMONS. I hope the Senator, therefore, will enlarge his inquiry.

Mr. McKELLAR. I will be very glad to do so.

Mr. REED of Pennsylvania. Will the Senator from Tennessee permit just a sentence or two in an effort to answer the question of the Senator from North Carolina?

Mr. McKELLAR. Yes.

Mr. REED of Pennsylvania. As the Senator will remember, a claim in abatement would lie only in case of a jeopardy assessment. So long as claims in abatement were permitted by the successive revenue laws they could only be made where there had been jeopardy assessments; so that a very large part, I should say probably three-quarters, of the refunds shown in the table submitted by the Treasury were probably made on claims in abatement following jeopardy assessments.

Mr. SIMMONS. I think that is true as to goodly part of them, anyway.

Mr. REED of Pennsylvania. The Senator's second question was as to the amount which had been paid as the result of court decisions. If it is possible to compile that information, even approximately, we would all be glad to have it, but it would be very difficult, and I think quite impossible. In the Steel Corporation case, for example, the Treasury was confronted with four different rules for the calculation of invested capital under the excess profits law. One was a decision of the Court of Claims, one was a quite contrary decision by the Board of Tax Appeals, one was a Treasury regulation, and the last, as I recall, was an amendment to the Treasury regulation. So four different rules were urged. The settlement is a sort of compromise among all four of those rules, in which I think the Government got very much the best of it, but I do not know that my opinion is worth anything as to that. It would be very hard in that case to say how much of it was ascribable to a court decision; that is what I meant. I have tried to answer the question.

Mr. McKELLAR. Mr. President, I will answer the Senator from North Carolina in this way: So far as court decisions are concerned, the United States Steel Co. had filed a case in court to recover this money, and if it thought it would have gotten better results in the court than it could get in the department it would have been a very foolish company if it had not undertaken to prosecute in the court; but it did not do that. It knew its business.

Mr. REED of Pennsylvania. The suit in the court was for $161,000,000, including interest.

Mr. McKELLAR. Yes. It was like the case of a man getting a finger scratched and suing for $5,000 damages under the old system. The Steel Corporation probably asked for everything. Does the Senator know what taxes they paid in 1917?

Mr. REED of Pennsylvania. Yes; about $217,000,000, as I recall.

Mr. McKELLAR. And they got back $57,000,000. I think that is doing pretty well. I do not know whether the Steel Corporation got that much back because we have no means of telling what sort of contract the company had with its lawyers and accountants.

Mr. REED of Pennsylvania. I have no idea as to that.

Mr. McKELLAR. But I imagine, even if the corporation paid its lawyers and accountants the proverbial 50 per cent in cases taken on a contingent-fee basis, that it made a pretty good dividend out of that particular refund. But oh, what pickings for lawyers and accountants the present system affords!

Mr. President, if I may I wish to call attention to the last excuse given by the Secretary of the Treasury. He says—and I quote—

> The real issue is whether the income tax is to be administered by the executive branch of the Government in accordance with every precedent and every sound principle of government, or is to be turned over to the judicial branch. I have no hesitation in prophesying that the latter course spells the complete breakdown of the income tax. Any tax that can not be administered save by means of litigation and court decisions can not long survive.

Mr. President, no such question is involved as that in the proposal which I have made. The Board of Tax Appeals is a part of the Treasury Department; it is a part of the machinery by which back taxes can be adjusted, at least to a very considerable extent. The Secretary recommended the creation of that board; it was upon his recommendation that it was established. If he was right in recommending it as an administrative body in connection with a portion of these claims, why in the name of heaven is it not proper and right for it to pass upon them all or such of them as are of any importance? The Board of Tax Appeals is not connected with the judicial branch of the Government at all; it is in the administrative branch, in the very department of the Secretary of the Treasury and it is not proposed to take it out of his department. I am astonished at the Secretary taking such a position.

Now, I come to the next excuse.

The Secretary says:

> I have no hesitancy in prophesying the breaking down of the whole tax system.

As a matter of fact, the proposed change does not affect the ordinary revenues under the income tax. The income-tax payers of this country voluntarily, upon their own motion and on their own figures, pay in over $2,000,000,000 every year. The only thing that is affected in any way by this proposal is the back-tax system; and I want to say that if ever a system has been shown to have broken down under the present management, the back-tax system of the Federal Government has absolutely broken down. It brings no money into the Treasury. It probably is a drain upon the Treasury when we take into consideration refunds and credits and the costs of the system on the one side and the amounts secured from other taxpayers on the other.

I want every taxpayer to have his dues, whether he is large or small; but I know that under this system the great body of the tax refunds made and the tax credits given are to the very large taxpayers. The ordinary, everyday taxpayer is being hounded in this country by hordes of back-tax accountants and agents going all over the country seeking to recover additional

assessments from him. So I say that the Secretary of the Treasury is mistaken about the system breaking down. The back-tax system has nothing to do with the system of income taxes except to make it unpopular; to make it so that the taxpayer knows that when he pays his honest taxes, on figures given by himself, they may be ripped up at any time within 5 or 10 years, regardless of the statute of limitations, because the officials of the department disregard the statute of limitations in the way I have stated.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from California?

Mr. McKELLAR. I do.

Mr. SHORTRIDGE. Does the Senator propose a statute of limitations in his amendment?

Mr. McKELLAR. No; but it ought to be done. If I had my way, I would fix the statute of limitations at not exceeding one year, except, of course, as to fraud cases.

Mr. SHORTRIDGE. That is rather short.

Mr. McKELLAR. Even if the taxpayer commits a fraud upon his Government, the Government ought to find it out during one year after he has committed it. Then we would have a system by which a taxpayer would know when he had finished paying his taxes. It is a stench in the nostrils of every decent taxpayer in this country that he does not know now. It makes the system little short of infamous. Every taxpayer complains. They say openly, "I do not complain of paying an income tax. I am glad to pay it; but I never know when I get through paying it, because here comes a tax collector and examines my records, and he says that I owe him so much more one year, and two years afterward another collector comes back and examines the same books, has to go through them, taking a lot of time, taking my attention away from my business, and makes another assessment; and then, if they have not got enough, they come along and say, 'Your time is nearly out; you must agree to waive the statute of limitations fixed by the Government and give us a chance to go into your accounts again.'"

Senators, it is wrong. It is an outrageous system. It ought not to be permitted by the Congress, in my judgment, and we ought to take steps to do away with it, and now.

Mr. SHORTRIDGE. Mr. President, if the Senator will permit me——

Mr. McKELLAR. Yes; I yield.

Mr. SHORTRIDGE. I understand the Senator to hold, then, that there should be a statute of limitations?

Mr. McKELLAR. A very short statute of limitations.

Mr. SHORTRIDGE. Perhaps a year would be too short; but there ought to be, in my humble judgment, a statute.

Mr. McKELLAR. And the Government ought to say to them that the department is not allowed to disregard that statute by agreement. It ought not to be permitted.

Mr. HEFLIN. Mr. President, right there——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. McKELLAR. I do.

Mr. HEFLIN. They have gone back over a number of years to the war, to 1917. They are still considering old cases.

Mr. McKELLAR. Why, they have 12,000 of them.

Mr. HEFLIN. Yes. They are digging back in there and getting out money from the Treasury and giving it to their favorites, and I, for one, think they have given out millions that ought never to have come out of the Treasury.

Mr. McKELLAR. There are only two cases that I know anything about. We have paid out now, we have appropriated in the last eight years, over $1,050,000,000 for refunds, and there are only two cases that we know anything about. One is the Steel case that I talked about yesterday. The other is what is called the X Tobacco case. The agents of the Government were so afraid to give out information that they would not mention the name of the company.

You remember that I told you yesterday how the United States Steel Corporation got its name into print. They said it was through Mr. GARNER giving it out. They did not criticize Mr. GARNER, but they seemed to think that he had made a great error in giving the name of this taxpayer that had been refunded in secret $57,000,000 of the people's money, nobody knows how or why, or any reason for it, and we do not know to this day; but there is another taxpayer, just one other, that we have any information about. All honor and credit to Congressman GARNER for bringing out the facts!

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. McKELLAR. I do.

Mr. WALSH of Massachusetts. It is apparent that the Treasury Department practices its policy of secrecy better than the Senate.

Mr. McKELLAR. Infinitely better. I started to say something further, but I can not even make a remark about it. Anybody else can talk about what is done in the Senate in secret session, but, of course, a Senator can not, so I can not do it.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Virginia?

Mr. McKELLAR. I do.

Mr. GLASS. Why can not the Senator make a remark? If a Member of Congress can literally violate the law, why may not the Senator violate a propriety?

Mr. McKELLAR. I do not want to violate it. It may be proper and right for me to do it, but I do not want to.

Now, let me come back to the Tobacco case. The witness before the committee puts in the X Tobacco case. The only information we could get about the Tobacco case was that it was designated as the "X Tobacco case."

The facts in the X Tobacco case were somewhat different. The X Tobacco case was thus stated by Mr. Parker as follows:

"Senator McKELLAR. Suppose that they had followed your suggestions made there, would it have made any difference in the amount paid to the tobacco company?

"Mr. PARKER. Well, this case is one where the refund was almost entirely due to the allowance of what is known as special assessment. That is the relief provision under the revenue act.

"Senator McKELLAR. Yes.

"Mr. PARKER. The courts have since held that it is a discretionary provision within the power of the commissioner, and the commissioner evidently in this case thought that this was a right determination.

"Senator McKELLAR. In other words, the Tobacco case was settled primarily upon a matter of discretion?

"Mr. PARKER. I do not think the taxpayer would have had any rights in this case in court."

Here the Commissioner of Internal Revenue is given a discretionary power to refund any taxes that he thinks are unjust. Five million dollars was returned to this tobacco company.

Mr. HEFLIN. And the witness admits that he does not believe that a court of justice would have done it?

Mr. McKELLAR. He not only admits it but this agent of the Government testifies that the taxpayer could not recover, and in another place he says it was admitted that he could not recover; and the only reason why it can not be gotten back by the Government is that the discretionary power being in the hands of the Commissioner of Internal Revenue, it can not be reviewed by the courts. Having been exercised, it can not be reviewed by a court under well-known principles.

Who knows whether that $5,000,000 was properly or improperly paid? That was a special assessment; and they want the money to pay claims of this kind! These are the only two the names of which we have, and we got them by accident.

I continue reading:

Senator McKELLAR. In other words, the Tobacco case was settled primarily upon a matter of discretion?

Mr. PARKER. I do not think the taxpayer would have had any rights in this case in courts.

Senator McKELLAR. Would not?

Mr. PARKER. He would not have now; at that time this other decision had not been rendered. He probably could not have enforced the collection in the courts.

Senator McKELLAR. And about $6,000,000 was paid out by the Secretary of the Treasury, or by the Internal Revenue Bureau, to the American Tobacco Co.—or, was it the American Tobacco Co.?

Mr. PARKER. Let us call it the X Tobacco Co.

They are asking for a $75,000,000 deficiency appropriation to pay claims of this kind without giving us a word of information in regard to them. How in the world can any Senator defend his vote in favor of the appropriation under circumstances of that sort?

Senator McKELLAR. To the tobacco company, in order to conform with your idea of secrecy, about $6,000,000 was paid out for which that company had no legal right to recover, according to your judgment?

Mr. PARKER. They had a legal right. The commissioner had legal authority.

And it can not be reviewed.

Mr. President, here are the only two cases the names of which we have. It is a matter of discretion. Nobody can change it. Ought there to be no supervision of that discretion?

Are we going to give an officer of the Government that discretion in the future? That may have been entirely right; that payment may have been perfectly proper; but, if it was proper, why should it not be open? Why should it be done in secret? Why should it be kept in secret? Why should the name of the company that receives it be kept secret? Is that the way to conduct a republican form of government? Is that the way in which we should carry out the affairs of this Government? I say it is not. I say it is undemocratic. I say it is revolutionary to have such a system.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Massachusetts?

Mr. McKELLAR. I yield to the Senator.

Mr. WALSH of Massachusetts. Perhaps the Senator in the course of his argument has discussed the remedial legislation that has been presented to Congress. If he has not done so, I should like to have him name the proposals that have been made and state the history of the legislation that has been proposed.

Mr. McKELLAR. I shall be very glad to do so.

I think I began in 1923—or perhaps it was in 1922—to call the attention of the Senate and the country to this system of tax refunds that were just constantly mounting and have been doing it ever since. If the Senator will permit me, I will show him how they have mounted. I have a statement right here of the refunds. Just listen to this:

The refunds in 1917, where there was so much trouble and so many jeopardy assessments, and everything of that sort——

Mr. WALSH of Massachusetts. I am calling the Senator's attention to the legislation that has been proposed to deal with this matter.

Mr. McKELLAR. I know, and I am going to answer that.

Mr. WALSH of Massachusetts. What hearings have been held? What opportunity has been given to the Congress, other than the Senator's present motion, to remedy the conditions of which he complains?

Mr. McKELLAR. I shall be delighted to answer.

In 1917 there was a refund of $887,000, less than a million dollars.

In 1918 it ran up to $2,000,000, and that seemed to be a good, big sum.

In 1919 it went to $8,000,000.
In 1920 it went to $14,000,000.
In 1921 it went to $28,000,000.
In 1922 it went to $48,000,000.
In 1923 it went to $123,000,000.
In 1924 it went to $137,000,000.
In 1925 it went to $151,000,000.
In 1926 it went to $174,000,000.
In 1927 it was $103,000,000.
In 1928 it was $142,000,000.

This year we have already appropriated and spent $130,000,000, and they are asking for this $75,000,000 more.

That is only the amount of refunds. That is less than one-third of it. The credits amount to the other two-thirds, or more.

So I think it was in 1923 that I first offered an amendment requiring some sort of supervision, some sort of open supervision—not a secret system of payments; anything that was open and aboveboard. If it was right that the Government should pay back these sums, they ought to be paid back; but the people ought to know what is becoming of these enormous sums of their money that are collected by taxation in the way I have described. So I offered an amendment that year——

Mr. WALSH of Massachusetts. To what bill?

Mr. McKELLAR. To the deficiency bill, to put a limitation on it, to put some restriction on it; and it was defeated. I was just run over. Everybody just said, "Why, no, no. Leave it to the department."

In 1924 I made the fight again, and the result was the same.

In 1925 the same thing happened, and every year since. Heretofore we have not had the facts.

Mr. WALSH of Massachusetts. Has any special bill been introduced looking toward legislation along this line?

Mr. McKELLAR. Yes; I introduced a bill some time during the present session, which was referred to the Judiciary Committee and unanimously reported, to give the supervision of tax returns and tax credits and tax abatements to the Board of Tax Appeals, which the Secretary himself had recommended and which was a bureau in his department.

Mr. WALSH of Massachusetts. Is that bill on the calendar?

Mr. McKELLAR. That is on the calendar with a favorable report.

Mr. WALSH of Massachusetts. Why does not the Senator try to get action on it?

Mr. McKELLAR. I have been striving since yesterday afternoon at 5 o'clock with all the ability and with all the earnestness of which I am capable to get action, and there is but one way to get action—that is to have it put on this bill as an amendment, because otherwise it will be strangled in the House or it will not be signed by the President; and we will have no law in that regard. We might as well be perfectly frank about it; the only way we can get it into the law, the only way we can change this system, the only method by which we can bring about an open and an honest administration of this matter is by putting that measure on this bill as an amendment. I asked the committee to put it on, but they turned me down. I am now asking the Senate, and a point of order is made against it——

Mr. GLASS. Does the Senator say that he presented this matter to the committee?

Mr. McKELLAR. Indeed, I did.

Mr. GLASS. This amendment of h

Mr. McKELLAR. Indeed, I did.

Mr. GLASS. I see no record of it.

Mr. McKELLAR. Oh, yes.

Mr. WARREN. The Senator is mistaken about it.

Mr. McKELLAR. It was turned down in the committee immediately after the Harris amendment was adopted. Of course it was turned down. It had already been reported, and I offered it before the committee. I took all this proof on it. I offered it there, and the committee turned it down and refused it on the ground that it was legislation.

Mr. WALSH of Massachusetts. The Senator now states that the Committee on the Judiciary considered a bill which he had introduced seeking to remedy the conditions about which he is complaining, and unanimously reported it?

Mr. McKELLAR. Yes.

Mr. WALSH of Massachusetts. And the Senator can not get action?

Mr. McKELLAR. I can not get action. Suppose the Senate should pass that bill; what good would it do? It would go to the House, and in the short session it would go by the board.

Mr. GEORGE. As I understand it, the Senator's amendment incorporates that bill?

Mr. McKELLAR. It incorporates that bill, and a point of order is to be raised against that amendment by the chairman of the committee, on the ground that it is legislation on an appropriation bill, and for that reason it is not in order, and in order that I might even discuss it on the floor I have had to move to suspend the rules. Yesterday the Senator from Wyoming, the moment I offered the amendment, made a point of order, and the Vice President ruled it out of order, but under a provision in the rules I moved to suspend the rules, according to the RECORD, and it is now here before the Senate on my motion to suspend the rules and to put the amendment on this appropriation bill. Otherwise I could not even have discussed the question.

Mr. WALSH of Massachusetts. Was a report made by the Judiciary Committee?

Mr. McKELLAR. They reported it favorably.

Mr. WALSH of Massachusetts. I hope the Senator will put the report in the RECORD in connection with his remarks.

Mr. McKELLAR. It is in the RECORD, and has been in the RECORD several days.

The Senator knows that when one moves to suspend the rules, it requires a two-thirds vote. I have to get two-thirds of the Senate in order to put the amendment on this bill. It is the only chance that we have to put it on the bill, and I am going to do everything in my power to get that done.

Mr. GLASS and Mr. WARREN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I believe the Senator from Virginia rose first.

Mr. WARREN. I have a question to ask the Senator; but the Senator may proceed.

Mr. McKELLAR. I will yield to the Senator from Wyoming in just a moment.

Mr. GLASS. Mr. President, the point I make is that when the Senator appeared before the subcommittee of the Committee on Appropriations he did not discuss one single, solitary aspect of this proposed amendment. As far as I have been able to determine, he did not ask a single question of the Treasury experts that would enable the Senate now to determine what, if any, breakdown of existing processes this amendment involves. He did not give us any information himself, or elicit any information from the Treasury experts, that was not already immediately available to members of the subcommittee. He has presented this matter here without giving the subcommittee which

considered the matter an opportunity to examine into the actuarial aspects of his proposition, and here we are confronted by a letter from the Secretary of the Treasury saying that the adoption of this amendment would break down his system of income-tax collection. I do not know that that is true, but my grievance is that the Senator from Tennessee, when he appeared before the subcommittee on this particular matter, afforded us no opportunity to determine in advance whether or not it was true. He did not ask a single, solitary question of the Assistant Secretary of the Treasurer or the Commissioner of Internal Revenue that would have enabled the subcommittee to determine whether or not it would be judicious to adopt this amendment.

Mr. McKELLAR. Mr. President——

Mr. GLASS. Just another word. The Senator from Massachusetts said——

Mr. McKELLAR. I would like to reply to that.

Mr. GLASS. Very well, the Senator may if he does not want me to interrupt him further. The Senator has the floor. I just wanted to respond to the interrogatory presented by the Senator from Massachusetts as to whether or not any of these matters had been examined into by a committee of the Senate.

The Senator will recall that one of the most searching and thorough examinations into the Internal Revenue Bureau ever held, at least within my observation or experience, was directed by this body to be made by a special committee, known first as the Watson committee, but I believe the Senator from Indiana [Mr. WATSON] retired from it, and the Senator from Michigan [Mr. COUZENS] became chairman of the committee. That committee made a thorough investigation of every aspect of income-tax payments and income-tax refunds, and the Senator from Michigan made an elaborate, detailed report to this body, with which nothing has ever been done. He proposed, with his report as a basis, to have these things opened to public inspection, and the Senate would not even agree to that.

If the Senator from Tennessee wants publicity, just let him propose by a simple amendment to this bill of one sentence to let us have publicity. Instead of that, he presents a bill here which the committee had no opportunity to inquire into, and is asking the Senate to operate as a body of actuaries and tax experts upon a proposition of that sort.

I do not care anything about the United States Steel Co. The Steel Co. is perfectly able to take care of itself, and to hire all the lawyers in the United States. I do not care a continental about the steel company, except that I believe that inherently a wealthy corporation is as much entitled to the protection of the laws of this country and to be dealt with justly as is an individual. It is the individual taxpayer I am concerned about.

I long ago called the attention of the Senate to the fact that a little clerk up in the Internal Revenue Bureau positively maneuvered the Government into a position where it might plead the statute of limitations against a taxpayer in my State. I had to appeal personally to the Secretary of the Treasury to get him to cancel the order.

Mr. McKELLAR. That is a fine system!

Mr. GLASS. It is not a fine system; it is an outrageous system.

Mr. McKELLAR. I am glad to hear the Senator talk that way about it.

Mr. GLASS. What I am complaining about is that the Senator is trying to go about its correction in the wrong way.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. McKELLAR. In just a moment. I want to have something to say. The Senator from Virginia talks about the letter of the Secretary of the Treasury, and says that we ought not to go contrary to it.

Mr. GLASS. I said nothing of the kind. I said I did not know whether we should or not. I apprehend the Senator from Tennessee does not know any better than I whether we should or not.

Mr. McKELLAR. Perhaps not, but I want to call the Senator's attention to the fact that yesterday we had a letter from the Secretary of the Treasury advising against the system proposed in the Harris amendment, and the Senator from Virginia, as I recollect, disregarded the recommendation of the Secretary of the Treasury.

Mr. GLASS. Yes; I did; and I would disregard this recommendation if I knew whether I should or not.

Mr. McKELLAR. I hope the Senator will look into it.

Mr. GLASS. The Senator has not told me anything that convinces me that I should.

Mr. McKELLAR. Perhaps not. The Senator says I did not bring this matter up before the committee. We will see whether I did or not. I read from the proceedings of the committee:

The subcommittee met, pursuant to call, at 10 o'clock a. m., in the committee room, Capitol, Senator FRANCIS E. WARREN presiding.

Present: Senators WARREN (chairman), CURTIS, PHIPPS, KEYES, OVERMAN, and McKELLAR.

Also: Hon. Henry Herrick Bond, Assistant Secretary of the Treasury in charge of fiscal offices; David H. Blair, Commissioner of Internal Revenue; and others.

The subcommittee thereupon proceeded to the consideration of the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

The CHAIRMAN. Senators, we have a quorum present, with those who have left their votes with us, so we will proceed to business. We have before us the urgent deficiency bill, which does not attempt to take up matters that will come up in the second deficiency bill. The amount is some $84,000,000; $75,000,000 is for the refund of taxes collected illegally or by error, and $5,000,000 is for the Post Office Department for carrying the mail by air under contract, so that the ordinary urgent deficiencies are reduced to a little over $4,000,000.

We have the Commissioner of Internal Revenue before the committee this morning, and I will ask Mr. Blair to inform us about the matter of the refund of taxes.

Thereupon Mr. Blair testified, and Mr. Bond testified, and the other gentlemen testified. Nearly all of the hearing is taken up with the testimony about these refunds of taxes, and the Senator from Wyoming [Mr. WARREN] made a statement, which appears somewhere—I can not lay my hands on it just at the moment, but it is here—to the effect that my amendment was before another committee, and ought to be considered there, and should not be considered before the Committee on Appropriations. That is the very contention that is being made here, that it is not in order, and the only way by which it can be held in order is by a suspension of the rules; and I have moved to suspend the rules. They disregarded my amendment and did not report it.

Mr. GLASS. There are 56 pages of inquiries and answers, and I ask the Senator from Tennessee to point to one single, solitary question directed to the experts of the Treasury Department as to whether his proposed amendment would create confusion and disturb existing processes down there.

Mr. McKELLAR. Why ask the men who are opposed to it any such question as that? I did not ask it.

Mr. GLASS. How does the Senator know they are opposed to it?

Mr. WARREN. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield to the Senator.

Mr. WARREN. Since the Senator is reading from the testimony, I wish he would read it all.

Mr. McKELLAR. Oh, no; it would take too long.

Mr. WARREN. Will not the Senator wait a moment? I did not break in on him.

Mr. McKELLAR. I shall be delighted to hear the Senator.

Mr. WARREN. There was nothing before us but a bill introduced by the Senator, referred to the Committee on Appropriations, with no intention, as far as was shown by the face of the bill, of offering it as an amendment to the appropriation bill.

Mr. McKELLAR. No; but it——

Mr. WARREN. Wait a moment. Under our rule we could not consider and put onto this bill as an amendment a measure of that kind, and bring it in here, without having it immediately sent back to the committee unacted upon. The Senator did not ask for anything of that kind. He asked to have certain witnesses brought in, and everyone he asked for was brought in, and every Senator sat in his place and let the Senator from Tennessee occupy the entire time asking the witnesses questions. He was particular to ask questions that would suit his particular purpose, and did not seem to care anything about other matters than that. We had a later meeting of the subcommittee, and the chairman addressed the Senator from Tennessee and asked if he had an amendment to bring before them on the subject, and he said no, that he would take up the matter in another way.

Mr. McKELLAR. Oh, no; the Senator held——

Mr. WARREN. I state the fact that I addressed the Senator and asked him if he had an amendment to bring before that subcommittee, and he said no, that he expected to take it up another way.

Mr. McKELLAR. The Senator is just mistaken in his recollection about it. This is what happened: I presented this bill, which had been favorably reported, and asked that it be put as an amendment on the appropriation bill. The Senator declared that it was legislation and out of order, and I said, "Well, I will take the matter up with the Senate," and that is just exactly what I have done.

Mr. WARREN. There was no report from any committee on the bill in connection with offering it for this or any appropriation bill before it came to us.

Mr. McKELLAR. I am not so sure about that.

Mr. WARREN. I have the documents right here.

Mr. McKELLAR. Anyhow, I offered the bill, and the Senator said it was out of order, and that he would make a point of order when I offered it in the Senate; and the moment I rose in my place yesterday and offered the amendment the Senator did make a point of order against it, just as he said he was going to do.

Mr. BORAH and Mr. WALSH of Massachusetts rose.

Mr. WARREN. I made the point on the floor of the Senate, and I would make it again if it should come up in that way.

Mr. WALSH of Massachusetts. Mr. President——

Mr. McKELLAR. Let me yield to the Senator from Idaho, who has risen once or twice.

Mr. BORAH. Is there going to be any opportunity for us to act on the question of publicity by the offering of an amendment which would result in the proceedings being made public?

Mr. COUZENS. I am going to offer an amendment looking to that end.

Mr. BORAH. The Senator from Michigan says he is going to offer an amendment to bring that about.

Mr. McKELLAR. I hope such an amendment will be offered, but it is not the province of my amendment to secure publicity. Its only province is to have refund cases tried in the open and not in secret.

Mr. CARAWAY. Mr. President, may I ask the Senator a question now?

Mr. McKELLAR. I must yield first to the Senator from Massachusetts, who rose several moments ago.

Mr. WALSH of Massachusetts. Am I to understand the Senator to state that the only opportunity the Senate will have to approve of the principle in the special bill which has been heard by the Committee on the Judiciary and unanimously reported is by now voting for his amendment?

Mr. McKELLAR. That is the only way the Senate will have of putting it in the law; because if we pass the bill——

Mr. WALSH of Massachusetts. The same principle is embodied in the bill reported unanimously by the Committee on the Judiciary as is embodied in the Senator's amendment?

Mr. McKELLAR. Word for word, every word of it. It is not changed in a single respect. It is absolutely the same, and is offered here as an amendment under suspension of the rules.

I am now glad to yield to the Senator from Arkansas.

Mr. CARAWAY. The Senator's amendment does not seek publicity of tax returns and tax payments. It merely undertakes to say that wherever there is an amount involved of more than $75,000——

Mr. McKELLAR. No; over $10,000.

Mr. CARAWAY. That where the amount involved is more than $10,000, the trial shall be open to the public, so that everybody will know who is asking for a return above that amount and will have an opportunity to know what evidence has been offered and what decision has been reached.

Mr. McKELLAR. That is the purpose of the amendment. It provides for the open trial of tax claims involving amounts above $10,000 before the Board of Tax Appeals, which has been recommended to pass upon similar claims by the Secretary of the Treasury.

Mr. CARAWAY. In other words, unless a man is seeking to get something back, his tax returns remain secret, as they do now?

Mr. McKELLAR. It does not interfere in the slightest degree with the publicity of tax returns as it now exists, except where a man wants them made public.

Mr. CARAWAY. How in the name of common sense can that do any harm?

Mr. BORAH. Mr. President, will the Senator speak a little louder? We are unable to hear the questions of the Senator from Arkansas.

Mr. CARAWAY. I am curious to know, if it is only dealing with tax refunds above $10,000, how anybody can consistently say that it is going to disrupt the Income Tax Unit or income-tax organization in the Treasury Department?

Mr. McKELLAR. Of course, anyone can say what he pleases, but my mental make-up is not sufficient to understand an argument of that kind.

Mr. CARAWAY. I understand it but I do not believe it.

Mr. McKELLAR. I do not believe it at all.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Virginia?

Mr. McKELLAR. I yield.

Mr. GLASS. Publicity is not the only effect of the proposed amendment. If we want publicity of tax returns, let us have it.

Mr. CARAWAY. This does not involve publicity of tax returns at all.

Mr. McKELLAR. It does not provide for it at all.

Mr. GLASS. I mean tax refunds or abatements. Let us say if we want it. If we want it, let us say that the record may be open to the inspection of the public or of anybody. That is simple enough, but that is not the effect of this amendment.

Mr. McKELLAR. That has been voted down by the Senate several times.

Mr. GLASS. If that has been voted down and the sole purpose of the pending amendment is to effect that purpose, why may not the amendment be voted down now?

Mr. McKELLAR. There is no publicity purposed in this amendment.

Mr. GLASS. Let me ask the Senator this question: The Senator, I think, admitted a while ago that the Board of Tax Appeals is a bureau of the Treasury?

Mr. McKELLAR. It is.

Mr. GLASS. A part of the Treasury?

Mr. McKELLAR. It is.

Mr. GLASS. Then, in effect, the whole thing to be accomplished by the amendment is to transfer from one bureau of the Treasury, with its employed experts, to another bureau of the Treasury, with its employed experts, the final determination of these cases. Is not that it?

Mr. McKELLAR. It is to transfer it to the other bureau where there will be no secrecy, where the claims are to be determined in the open.

Mr. GLASS. If the Senator wants publicity, why does not he offer a simple amendment to the bill providing for publicity?

Mr. McKELLAR. Because I am not engaged in that matter now. I am engaged in an entirely different purpose, which is to have these large claims involving more than $10,000 tried in the open. When a taxpayer comes and says, "The Government has done me an injustice and I want to correct it," I want him to have an open forum in which to try that case, a forum constituted by law.

Mr. GEORGE. Mr. President——

Mr. McKELLAR. I yield to the Senator from Georgia.

Mr. GEORGE. The Board of Tax Appeals is appointed by the President and confirmed by the Senate; is it not?

Mr. McKELLAR. It is, but it is regarded as an independent bureau by the Treasury Department.

Mr. GEORGE. But the members of the board receive their appointments from the President?

Mr. McKELLAR. Of course. I think it is admirably set up and admirably fitted to perform the services that are necessary in the opinion of everybody.

Mr. GLASS. It is largely composed of former internal-revenue employees who are to pass upon their own work in many cases, so much so that I offered an amendment to the bill restricting appointments thereafter so that none of the attachés or former attachés of the Internal Revenue Board should be named to the board. It is strictly a Treasury proposition, and this is just simply a proposal to transfer from a bureau of the internal revenue, with its scores of hired experts, to a court or board whose calendar is already congested, it has been stated, with 21,000 cases not acted upon. This would add tenfold to the work of that board.

Mr. McKELLAR. At any rate they think they can do it. I want to say for the Board of Tax Appeals that, as I recall, when they were appointed by the President I did not know one of them personally. I do not know that I know more than two of them now; I could not say positively about it. I am sure that I know one, and I think possibly I know two of them. But they have agreeably impressed me. I think they are trying to function in an honest, fair, open way. I think they have agreeably impressed everybody in the performance of their duties and I think that they are admirably fitted for the work.

Mr. CARAWAY. At least that is a left-handed compliment the Senator is handing them.

Mr. McKELLAR. It is not a left-handed compliment, but I think they are qualified in every way and we would be better satisfied to have them handle this work than to have the matter determined in a secret way by a commission about which we know nothing.

Mr. CARAWAY. Mr. President, will the Senator from Tennessee yield to me to ask the Senator from Virginia a question?

Mr. McKELLAR. I am glad to yield to the Senator for that purpose.

Mr. CARAWAY. I want to ask the Senator from Virginia a question. He was at one time head of the Treasury. What real objection could anybody urge against a public trial in a

case involving $10,000 or more? What is wrong with that proposal? If a man is going to get that much money refunded, unless he is going to conceal it from his creditors, he ought not to be anxious to have it kept secret.

Mr. GLASS. I will say to the Senator that when a proposition of this magnitude, involving a sweeping reorganization of the processes and the work of the Internal Revenue Bureau, is presented to me without any further explanation than has been made here upon the floor, I would hesitate to agree to it in the face of the statement from the Secretary of the Treasury himself that it would tremendously confuse, if not actually break down, the system of income-tax collections. I think this is a matter which should have been presented in all its details to the subcommittee, that the experts of the Treasury who there appeared in person might have been asked with respect to these matters. I do not find from the record that they were asked anything about them.

Mr. CARAWAY. Let us say that ought to have been done, but what reason can be given against a public trial of cases involving such large sums of money?

Mr. GLASS. One of the reasons presented is that the dockets of this Treasury court, to which we are asked to transfer the final decision of these questions, are already filled up with 21,000 cases not yet acted on.

Mr. CARAWAY. Everybody can take his case there now under the law, can he not?

Mr. GLASS. No; not everybody.

Mr. McKELLAR. Everybody except the Government.

Mr. CARAWAY. Any taxpayer can, and the Senator himself brought about a strong indictment against the method when he said an employee there actually connived in bringing about a situation where the Government could plead the statute of limitations.

Mr. GLASS. Oh, yes. I am pleading for the taxpayer and not for the Government.

Mr. CARAWAY. I am too, and I want the taxpayer to get his money back if he is entitled to it. But he does not have much chance where men of that kind in secret can keep his money away from him, does he?

Mr. GLASS. Let us make it public. I did make this particular case public.

Mr. McKELLAR. And the Senator violated the rules of the department when he did it.

Mr. GLASS. I did not at all.

Mr. McKELLAR. The present officials say so.

Mr. GLASS. When did the department ever say that?

Mr. McKELLAR. Mr. Bond, in his testimony, stated they were not allowed to give any facts about any particular case.

Mr. GLASS. Oh, pshaw! The taxpayer knows all these facts.

Mr. McKELLAR. Mr. President, I believe I have said about all that I desire to say, except I have one further statement that I want to make in conclusion.

I am opposed to the system of tax refunds that has been carried on in the Treasury Department since 1921. I am opposed to it because it is a secret system. I am opposed to it because it is a class system. I am opposed to it because, whatever the intentions of those who may have been administering it, it has resulted, in my judgment, in great wrongs being perpetrated on the Government and grave injustices being done to the great body of taxpayers in the country.

I want to say that the system of back-tax collections in this country, taken in connection with refunds, has completely broken down. It means nothing to the Government except to give favors to a favored few.

I quote now from a statement by Mr. Bond on page 24 of the hearings. Just listen to this:

> Mr. BOND. Every large corporation knew that before its tax matters were finally closed, its books would be audited with the greatest care and the work reviewed and their tax finally determined on the basis of those facts.

At another place in the record, Mr. Bond stated in substance that the payment of taxes by large taxpayers was provisional only and that they immediately filed applications for refunds. In my judgment, Mr. President, this system is unspeakably wrong. The ordinary income taxpayer has no such agreement with the Government. The ordinary taxpayer is not thus favored by the Government. He pays his tax and that is an end of it. The system is rotten—rotten to the core. It gives rise, and will continue to give rise as long as it is maintained, to all kinds of improper practices. An official in the Treasury, who sees a chance for a back taxpayer to get out of a large portion of his tax, will constantly have the temptation to resign and go and tell the taxpayer in the hope that the taxpayer will recover and divide the amount with him. Such an eventuality, Mr. President, has too often happened.

Besides, the hearings are secret, and where there are secret hearings, there is every opportunity for wrongdoing upon the part of the agents of the Government. I do not mean to make the charge that there is any wrongdoing, but every opportunity is given the agents in the secret hearings for wrongdoing.

Again, Mr. President, the refunds are so large that, if they continue, they will seriously embarrass the Government. They are so large that large taxpayers everywhere must use every endeavor to secure these returns. More than that, Mr. President, what a political weapon and practice in the hands of the Treasury Department.

The tax refunds, including credits, during the last eight years have amounted to between four and five hundred million a year. They are in the nature of favors granted special taxpayers. Those who are on the inside know how to get the returns, or those who are able to employ those on the inside know how to get the returns. The way it is being conducted, it is really a species of graft, obtained in secret, bartered for in secret, the money paid in secret, and with Senate and House committees flouted when they ask for information. I do not say that it is used as a political weapon, but if a Commissioner of Internal Revenue desires to use his office politically, it is easy to see that under this system his power over the taxpayer would be almost unlimited.

Mr. President, the record shows that the amount of admitted tax refunds and credits during the last six years amounted to $2,614,000,000. We have not the records for the preceding two years. Mr. Bond says:

> In the later years there has been a substantial reduction of abatements and credits.

Assuming that he is correct and only estimating the first two years at the same rate as the last six, there would be added $896,000,000 to the total, which would make during the last eight years refunds and credits amounting to $3,317,000,000, or about $400,000,000 a year.

When what has been appropriated for 1929 is added it brings the aggregate up to over three and one-half billion dollars.

Mr. President, this is seven times the value of the oil involved in the oil scandals. Think of it—seven times the value of the oil involved in the great oil scandals. This amount that has been returned is more than the entire cost to the Federal Government of the Civil War. It is more than one-fifth of the entire remaining war indebtedness of the United States. It is nearly twice as much as the entire public debts of the 48 different States in 1927, according to the World Almanac. It is more than the entire cost of the Government from the beginning up until the year 1860. The Government expended $2,205,108,000 in the first 70 years of our history. It is more than the entire cost of the Government between the years 1880 and 1890. It just about equals the entire cost of the Government from 1880 to 1890. It is about the same amount that we expended on the cost of government from 1911 to 1915, inclusive.

It may be claimed that if a taxpayer is justly entitled to a refund he should have it. That is entirely true, and I want to say again, as I have said all along during the many years of this contest, that no one believes more firmly than I do that a taxpayer who is unjustly taxed and pays more than the law requires him to pay, of course, should have a refund; but, when that is done, it ought to be done in an open, fair, just, and painstaking way—in a way that will not give rise to scandal, in a way that is not open to scandal. It ought to be done by a regularly constituted court or a judicial body such as the Board of Tax Appeals.

Again I say that it is to the secret system of tax refunds that I am opposed. The present law permits the Commissioner of Internal Revenue to refund any taxes that he regards as unjust or excessive. This opens the door to unlimited refunds and makes it imperative that his discretion shall be subject to revision by another body.

Mr. President, there is another reason why this amendment should become a law. Nothing has ever made the income tax law more unpopular than the system which is known as back or reassessment of taxes. A taxpayer never knows under our Federal system when he is through paying taxes. I am not talking about the large taxpayer who makes a business of getting refunds but about the ordinary taxpayer throughout the country. He never knows when he may be back assessed. He never knows when he may be reassessed. The Government has an army of employees. I do not know the number, but I will undertake to get it later. There is, however, a vast army of tax employees going up and down the country from one end to the other—in villages, in cities, and everywhere—examining

tax returns and reassessing our citizens, and for what purpose? We find that during the last eight years these tax gatherers who are making the tax laws unpopular wading into men's business, always causing strife and trouble and loss, have collected about $4,000,000,000, or, to be exact, $3,968,000,000. On the other hand, the bureau paid out not less than $3,317,000,000 in refunds and credits. Taking the cost and expense of reassessments and collections, they do not collect enough to pay the refunds and credits in the Washington office. The result is that by this vast system of harassing the taxpayers, causing them no end of trouble, no end of expense in fighting these oftentimes unjust reassessments, the Government really makes nothing. In other words, it would have paid our Government to have accepted the original returns of the various taxpayers and stopped there. The expense would have been reduced to a minimum, the law would have been a popular law, and this vast preying on the public would not have occurred.

I am utterly astounded at the figures of the Commissioner of Internal Revenue. He states on page 7 that the total refunds are $935,804,343.27, and that the back assessments during the same period are $3,968,326.28, and that, therefore, the refunds constitute only about 24 per cent of the individual income taxes reassessed. Furthermore, since the figures on the credits, rebates, abatements, and depletion allowances have come in it is found that the one about offsets the other when the cost of collection is included.

Mr. President, the enormous sums paid out in the last eight years in the way of tax refunds and credits are larger than the entire material wealth of the State of Alabama, or the State of Kentucky, or the State of Louisiana, including the city of New Orleans, and almost as large as the entire State wealth of Tennessee. What an intolerable system of taxation we must have which requires an average of refunds and credits of $415,000,000 a year. I have tried to tell the Senate and the country to-day what an evil system of income taxation we must have when mistakes to the amount of $3,500,000,000 are made in a year. What an intolerable situation! What a miserably inefficient conduct of the income-tax system that is!

Mr. REED of Pennsylvania. Mr. President, the Senator does not mean that all of that amount is represented by mistakes?

Mr. McKELLAR. That amount represents refunds; the taxpayer has been deprived of $3,500,000,000 which subsequently had to be paid back to him. It is due to mistakes or something else.

Mr. REED of Pennsylvania. In many cases the amounts have been paid to the taxpayer because of retroactive legislation passed by Congress.

Mr. McKELLAR. I think that such amounts would represent but a small part of the total.

It is said that the British refund is large, but, Mr. President, it is but a fractional part as large as ours, and they have a different system. In other words, their taxes are collected at the source and the individual is afterwards given credit for such taxes collected at the source. I am informed that the real refunds, or credits, given by the British Government to their taxpayers are infinitesimal when compared with ours.

Again, Mr. President, what an opportunity there is for graft; what an opportunity there is for fraud; what an opportunity there is for favoritism in distributing governmental favors. I am not making any charge of that kind, but what an opportunity there is for it. The refunding of taxes in this way could make the Commissioner of Internal Revenue easily the most powerful factor in politics in the United States. Great interests would be afraid to say a word against any request he might make. It is a vicious system; it ought not to be allowed to stand for a moment longer than it will take the Congress to rectify it; and so I urge the adoption of my amendment.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. McKELLAR. I yield the floor, unless the Senator from Alabama desires to ask me a question.

Mr. HEFLIN. Mr. President, I was going to remind the Senator from Tennessee when he was talking about the opportunity for graft and corruption that, as he and other Senators will recall, when Mr. Doheny's taxes were refunded the clerk who so kindly served him, who reaudited his tax account, was by Mr. Doheny immediately taken out of the service, where he was getting $2,500 a year, and put upon Mr. Doheny's pay roll at $7,500 a year. I would not be surprised if that incident had not been repeated in the case of other favorite taxpayers.

Mr. President, the Senator from Tennessee, I wish to repeat, has rendered a great service to the Congress and to the country. The Senator is not seeking to withhold a dollar of refund from any honest taxpayer; he is not seeking to prevent the return of a single dollar that has been unjustly paid to the Government.

The Senator is pleading for a just and fair deal in this matter between the taxpayer and the Government. He is asking to take away from clerks in the Treasury Department the opportunity and the privilege which they now have of taking the files of big taxpayers and of reauditing them and recalculating them and discovering mistakes, if they be mistakes; and I do not think that hundreds of items hatched out from there are really mistakes. I am going to be frank and say to the Senate that I think that this situation down there has come to resemble an ugly form of graft. I can not see, to save my soul, how mistakes involving three or four hundred million dollars a year can be made in this country by two or three hundred thousand taxpayers.

Mr. President, when the first refunds were made and certain big taxpayers tasted blood, they insisted on having the system opened up generally, and it was opened up to them by their friends. And the big taxpayers begun their annual pilgrimage to the United States Treasury. So this species of favoritism has gone on year after year for the last 8 or 10 years, and the Government's representatives in the department have got it down to such a fine point that they come here in advance and tell us about how much they are going to need for the next year.

Think of that, Senators! Would you not imagine that honest officers digging into these tax returns with the idea of winding them up as fast as possible would be able to come and tell the Congress, "We will not ask for any more after the next time; we will be through." The Senator from Tennessee [Mr. McKELLAR], however, asked one of the witnesses on the stand how he could estimate in advance that a certain sum would be needed for this purpose, and the reply was, "We can estimate it by what we have been refunding in the past." That is the substance of his statement. Think of that! There is the gold mine; there are the files of the big taxpayers; here are the clerks; yonder are the agents outside being hired to get in touch with the clerks. The clerks have access to the files, a reaudit is had, and a judgment is rendered in secret in all cases under $50,000 without any board ever seeing it. What do you think of that, Mr. President? That is worse than a secret executive session where Senators sometimes tremble in their boots lest somebody outside finds out how they voted in secret. They have a sort of secret executive session arrangement down there in the Treasury Department. A little clerk goes in and gets a file in a big tax case and he immediately resolves that he will hold a secret session.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. HEFLIN. I yield.

Mr. NORRIS. I want to ask the Senator if he does not think that the executive session business in the department works very much more effectively than does ours, and if we could not improve our executive method of doing business if we appointed a committee to confer with the Secretary of the Treasury and obtain his plan for keeping all this public business secret?

Mr. HEFLIN. I think the Senator's suggestion is a good one, because we can not even get a list of the taxpayers to whom he refunds this money.

Mr. BRATTON. Mr. President, I should like to suggest that the Senator from Nebraska be made chairman of the committee to confer with the Secretary of the Treasury.

Mr. HEFLIN. I think it is a good suggestion to have the Senator from Nebraska made chairman of such a committee to confer with the Secretary of the Treasury. Then, at least, we will be told what the Secretary of the Treasury says. The Senator from Nebraska would be open and fair enough to tell us just what the situation was, but the clerks——

Mr. DILL. Mr. President——

Mr. HEFLIN. I yield to the Senator from Washington.

Mr. DILL. Does not the Senator fear that the Secretary of the Treasury might have some rule of secrecy that he would impose on the Senator from Nebraska?

Mr. HEFLIN. He might do that; but the Senator from Nebraska would even report that. He would report that he was not able to make any progress because of such a secret rule.

However, Mr. President, in the department a clerk takes out a file and goes into secret executive session with himself. He sits in a room to himself, I take it, and he uses a pencil—and he has an eraser on his pencil so that if the figures are not working out to his satisfaction he erases them and calculates again—and discovers, as in the case of the Steel Corporation, that a mistake has been made to the extent of $57,000,000.

Think of that, Senators! Do you think that money should have been returned; all of it? Do you not believe that there

was skullduggery worked in that? If you do not, you are mighty easy to fool. Of course, the Steel Co. did not make that many mistakes. That is a very careful and painstaking company. If the Steel Co. paid taxes that it ought not to have paid, I want the money refunded; but I can not believe that the Steel Co. could make a mistake against itself of $57,000,000. But here, after the case remains in the file for quite a while, a clerk is consulted, and suggestions are made about a refund, and the papers are telling about others getting refunds; and the Steel Co. is able to have returned to it in one fell swoop $57,000,000 of the tax funds of this Nation.

It looks to me as if it resolves itself into a situation where under our law we have compelled the men who are able to pay most to do so. We have had them follow the example laid down by the Master. The Master demanded more of the man with five talents than he did of the man with two. I think the man who has the most wealth ought to pay the most taxes. I do not think he ought to be burdened with taxes. I want to see his business prosper. I think every legitimate business ought to be permitted to prosper, whether it is big or little; but I do not think we ought to refrain from telling the truth about business because it is a big business and is a power in politics.

We need more men in public life who have courage enough to tackle wrong and injustice in big interests; more men who will stand in this Chamber, where they speak for a sovereign State, and dare to tell the truth about the misconduct of any and every interest, whether big or little.

If a big interest, by reason of its financial and political influence, can reach some clerk in a department and carry on this crooked work and take this tax money out of the Treasury, where it ought to remain unless it has been unjustly paid, then it is incumbent upon us to stand here as the representatives of the people and tell the truth about it, and make these big men toe the mark just as we would a little man. We should have one standard for the big and the little alike.

What are the department officials doing to cover up those mistakes? They are dishing out this money to these big millionaires by the shovelful, and they are sending a swarm of taxgatherers all around the country hunting out the small taxpayer and meddling in the small man's affairs. They are going in and demanding to see his books. They are spying into his business, and they are saying, "You have not paid enough." They are reassessing him; they are annoying him; they are burdening him; they are embarrassing him to get money back, to say, "While we have refunded this large sum to the big taxpayer we have offset it with what we have taken from the pockets of an army of small taxpayers." That is what you are doing.

You heard the argument of the able Senator from Tennessee that we had refunded $3,000,000,000 in credits and rebates and cash, and that we had collected $3,000,000,000 through this other source, altogether.

Mr. President, what sort of a farcical arrangement is that? It looks as if under our law we have reached the time where we have put on the statute books a requirement that these big men shall pay their portion of the taxes and the representatives of the Treasury Department wink at them and tell them, "That is all right; you will have to pay, but if you will go to the Treasury Department and have your file examined, and file your claim for a refund, you can get back a whole lot of it." Those taxpayers understand exactly what they mean, and they have been going up there regularly for the last 10 years and taking out this money by the basket full; and how many are there of those who receive such special governmental favors? A hundred thousand and a little more.

Mr. President, as I said before, this thing has reached the point where it has become a scandal in the refund of these Federal taxes. Let me read you a little of the testimony.

The Senator from Tennessee [Mr. McKELLAR] was examining Mr. Blair, the Commissioner of Internal Revenue.

Senator McKELLAR. I would like to know something about the cases and something about the claims which you are going to pay out of this $75,000,000.

Commissioner BLAIR. There is no way by which I can tell until a case is passed upon finally.

Senator McKELLAR. How did you come to decide that $75,000,000 is urgently needed when you have just received $130,000,000?

Commissioner BLAIR. We can judge pretty well what we will do the remainder of this fiscal year by what has now been paid. That is the best way we can give it to you.

Why, Mr. President, they already know in advance how many potatoes there are left back in the hill, without digging them out, because they have been digging out so many a year. They just know that the potato hills are there; they have been yielding so much each time they have dug, and they just guess at it, and estimate that they will yield that many more fat yams, yellow yams, gold yams, to those who enjoy these special favors.

Here is another:

Senator McKELLAR. You have not spent that at all?

Mr. BOND. No; that is not available until the next fiscal year.

Senator McKELLAR. Take the large appropriation of last year, which was made available for 1929.

Mr. BOND. That was the $130,000,000 that I am referring to. We began with that on the 1st day of July, 1928, and that is practically all expended.

Here is another interesting statement:

Senator McKELLAR. How much have you left?

Mr. BOND. My recollection is that before the Steel payment we had about $52,000,000; $26,000,000 was paid to the Steel Co., and there is still something like $21,000,000 or $22,000,000 available now.

Another time the Steel Co. had a refund; and the refunds together, both of them, amounted to $57,000,000.

Mr. President, I want to say just this word more:

I do not see how any Senator can excuse himself for voting against the amendment of the Senator from Tennessee. He is simply asking to have all these cases above $10,000 referred to this Tax Appeals Board. Let the tax adjusters, these men appointed to try the cases, try all these cases; and if a man has a claim for a refund—if John Jones has a claim against the Government—let him come in and file it in open court, and let him set forth the reasons for filing it, and let him be heard in the open, and let the judges sit in the open, and let the case be finally decided in the open and a record kept of all the proceedings, so that we can know who is receiving this money, and why it was returned, and in what amount it was returned.

There is not a Senator in this body who can name now a dozen taxpayers who have had money refunded to them and the amounts refunded. Think of that; yet some of you voted for the return or refund of over $900,000,000 in these measures that have passed here when the Senator from Tennessee and I were opposing them. You voted to appropriate this money, and you can not tell your constituents to-day to whom that money was refunded, and you can not get Mr. Mellon to give you their names and the amounts that were refunded. I challenge you to do it, any of you.

Mr. President, I submit to the Senate and the country that that condition of things reveals a terrible situation here—that a majority of Congress has been voting to hand out three and four hundred million dollars at a time to be turned over to the Treasury Department to be doled out to favorites who pay big taxes and are asking to have their taxes returned. A Senator will stand here and vote for that, and then you ask him, before his people:

"Did you vote for that?"

"Yes."

"Well, to whom were you refunding that money?"

"I do not know."

"How much did you refund to this man or that man?"

"I do not know."

"Well, who decided whether the refund was just or not?"

"I do not know."

"Was it tried in the open or in secret?"

"It was tried in secret."

"How was it tried?"

"Well, a clerk reaudited the papers, and he reported to somebody else, and another clerk approved it, and somebody entered an order that it should be paid, and that is how it is done."

"And you voted to appropriate three or four hundred millions at a time to pay claims like that?"

"Yes."

And then they will doubtless say: "Why did not you demand that every man asking for a refund of taxes be required to submit his case in the open and have the facts determined in the open?"

Your constituent will say, "You could not have put over these secret deals before any county commissioner's court in the Union," and you can not. You let a man come up in my county—Chambers County, Ala.—and say, "I have paid too much taxes; I want a refund," and the commissioners, with the judge of probate sitting, will say, "Well, let us hear your statement about that"; and anybody and everybody in the county can come in and hear, and the judgment is entered in the open, and a record is kept of the procedure, and anybody who is interested can come in and see the record and see what transpired.

I challenge any one of you to go down and see these records in the Treasury Department; I challenge any one of you to bring out of Mr. Mellon's office the records showing to whom these refunds have been made and the amounts in each instance.

Senators, what are we coming to in this body when Senators are standing here and seriously asking us to vote to continue this appropriation without giving us the facts that we are asking for to-day?

The issue here is plain. It is this, briefly:

One side is contending that these cases shall be determined behind closed doors and by clerks, as they are now determined. The other side is contending—and that is the position of the Senator from Tennessee and myself—that they shall be brought out into the open and tried in public, where the public can attend, and where the men already appointed and authorized to pass on tax cases shall pass on these cases. When you do that you make impossible the repetition of the Doheny Act. You will not have a big man get his refund made and then pat on the back the clerk that did it, and say:

"How much salary are you getting?"

"Two thousand five hundred dollars."

"Well, come with me and I will give you $7,500 a year."

Doheny did that, and others no doubt have done it, and they will do it in the future; and if they are not doing it in that way, improper doings and corruption is bound to come up in some other way; and I think it already exists. You will pardon me for being frank enough to tell you that I do not believe that a billion dollars in cash have been refunded to a few thousand taxpayers without there being graft in it all up and down the line. It is indeed an ugly situation and I am trying to remedy it.

What we need, Mr. President, is more of the heroic courage displayed at this Capital by "Old Hickory" Jackson against the corrupt and powerful Federal banking interests of his day. There is a combination of influential financial interests operating in Washington to-day. It is reaching into the United States Treasury and taking out millions of money through ways and means that can not be defended.

If there is nothing wrong in it, vote with us to compel them to come out in the open and say, "We are willing to accept McKellar's amendment and have a court of tax appeals to try these cases, where the public can see and hear what goes on." Then they will not have to hunt up a clerk to hobnob with in secret about the refund of millions of the people's money.

The Senator from Arkansas [Mr. ROBINSON] pointed out that one man had a refund made to him of a little over $800,000, and it cost him three hundred and odd thousand dollars to get the refund of $800,000. Who got that $300,000? Those are the things we ought to look into. Who knows but that some clerk in the department shared in that $300,000 of graft. That, I submit, is a very suspicious case, where one taxpayer pays $300,000 to get back $800,000. He had to give more than a third of it.

Let us fix a statute of limitations in this matter, and let the honest taxpayers know that they must make their claims for a refund within a certain time, and show the facts, submit their cases in the open, and come with clean hands, ready to abide the judgment of an honest court. Let them do that hereafter. But, instead of that, they want to continue this mysterious, star-chamber proceeding, where, behind closed doors, mysterious and accommodating clerks live and move and have their being. They slip and slide about noiselessly with a file for tax refund under their arms. They do a little penciling on a piece of paper, and it is passed to somebody else, and an order is issued and $400,000,000 is handed out to certain favorites in tax refunds, and the Senate to-day can not name a dozen men who have gotten these enormous refunds in the 10 years past. It is a terrible indictment against a majority of both branches of Congress. They ought to be ashamed of it.

Let us to-day put a stop to this thing. Let us adopt the amendment of the Senator from Tennessee [Mr. MCKELLAR]. Senators, the people back home in the States that we represent are entitled to have a fair deal in this important matter. These big fellows who hate the income tax law are the men who are trying to destroy it because it is the only arm of the law that reaches the big man who has his wealth in money and in securities so that the ordinary tax collector can not reach it. We passed a law to reach the class that had been escaping taxes, and it does reach them. Now, we are compelling them to pay and you are giving it back to them in secret through the back window and the back door, and I demand that it be stopped.

Mr. President, I want every man to pay his fair share of taxes. I would not have any citizen imposed upon by unjust taxes. I do not believe in hampering or burdening legitimate wealth. Wealth is important; it is a thing to be desired in any country, and if it conducts itself right it is a blessing to mankind, but if you permit it to go unbridled and it corrupts politics and seizes the reins of government, then it becomes an evil and a curse in the land.

This Government ought to be at all times big enough and courageous enough to say to the big man, as well as to the little man, "So far shalt thou go, and no farther." Let us say to these big men, "If you paid too much in taxes, we want you to have your refunds. Come right into court. We instituted the court for that purpose. Submit your evidence. Let us have the case tried in the open." Then we will do away with this secretive sneaking and slipping around, hunting out Government clerks and others, and having a man pay out a third of what he is getting back in taxes in order to get his refund. If a taxpayer has been required to pay taxes that he should not have paid, it ought not to cost him anything to have the matter adjusted and the money refunded.

Senators, we can wipe all this scandalous procedure out by doing our duty to ourselves, to the honest taxpayers, and our duty to our country by making this whole tax-refunding business open to the public.

There is no excuse for carrying this work on behind closed doors. Nobody can defend it. This secret-session business down there has got to stop. I want to make a prediction with regard to it, that if you do not right this matter you will not hear the last of it in politics until it is righted. Make a note of that. The people of this Nation who have to pay taxes and who are being annoyed, the average man, by this swarm of tax gatherers you are sending around to filch a little here and a little there, to fill up the till that you have just emptied in order to pay the mighty rich their refunds, are getting exceedingly tired of it. They want a fair deal. They are willing to pay their fair share of the taxes, but they are not willing to be gouged and hounded and reassessed and made to pay more while the big fellow pays his taxes in temporarily and has it returned to him with interest a little later on.

Did Senators know that interest is paid on these refunds? The Government does pay interest on these refunds. So, about the best investment a rich man can make now is to pay his taxes to the Government and let them lie there for two or three years, until their case gets a little old, until they can find a clerk who has the ability and disposition to reaudit it, and then he will go over it and the refund will be forthcoming, and the taxpayer will get interest on it for all the time it has been there. Is not that a nice banking arrangement you have for some of these big fellows?

Mr. President, there are going to be many questions propounded to Senators about this very question. This Government is supposed to be founded upon the rules of right and the laws of justice, and I submit that where one has to take his case into an open county court for a tax refund and proceed before the public with his testimony, and have his case adjudicated, he can not move to the Capital of the Nation and go behind closed doors, where the millionaire class is involved, and try the case in secret session with a little clerk to do the auditing and the ordering of the refund, and then have the Congress sit like a bunch of mummies and vote three or four hundred millions a year in refunds. I refuse to do it. When we asked Secretary Mellon to give us a tax list showing to whom he was refunding the money, what amounts were refunded, with a little line or two telling why they were refunded, he refused to do it. We can not get that information. I challenge any Senator here to get it. Now they are asking us to leave that situation as it is, when they will not give us this important information.

I introduced a resolution in the Senate asking for a list of those who had gotten refunds, and I could not get the resolution through until it was amended so as to cover those who had received refunds amounting to more than $25,000. We then got a few big concerns that paid the taxes for that year, and we have not a scintilla of information here this year, not a line.

Are you ready to vote, Senators, to continue the old system and for this additional amount for questionable future refunds? Why not do the fair and just thing and vote for the amendment of the Senator from Tennessee? In doing that you vote to deliver the honest taxpayer who is entitled to a refund from the secret snoopers and snipers who hold him up and rob him in secret of what is due him by his Government. Do you want to deny the honest taxpayer the right to have an honest court try his case in the open? If you vote to deny him that right, you vote to perpetuate the miserable secret-session system, the closed-door session, that they have down there. You are voting to keep this important testimony from the public. Every honest taxpayer who feels that his cause is just, that he is entitled to a refund of taxes, unjustly collected, will rejoice at the opportunity to present his cause in the open. He will rejoice at the opportunity to have his claim passed on in the open.

Mr. DILL obtained the floor.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum. This is a very important matter, and more Senators ought to be here.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dill	Keyes	Simmons
Bayard	Edge	McKellar	Smith
Bingham	Fess	McNary	Steiwer
Black	Fletcher	Metcalf	Stephens
Blaine	Frazier	Moses	Swanson
Blease	George	Neely	Thomas, Idaho
Borah	Gerry	Norris	Thomas, Okla.
Bratton	Glass	Nye	Trammell
Brookhart	Glenn	Oddie	Tydings
Broussard	Gould	Overman	Tyson
Bruce	Greene	Phipps	Vandenberg
Burton	Hale	Pine	Wagner
Capper	Harris	Pittman	Walsh, Mass.
Caraway	Hawes	Ransdell	Walsh, Mont.
Copeland	Hayden	Reed, Pa.	Warren
Couzens	Heflin	Sackett	Waterman
Curtis	Johnson	Sheppard	Watson
Dale	Jones	Shipstead	Wheeler
Deneen	Kendrick	Shortridge	

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is absent on account of illness.

The PRESIDING OFFICER (Mr. FESS in the chair). Seventy-five Senators having answered to their names, a quorum is present. The Senator from Washington [Mr. DILL] is entitled to the floor.

Mr. DILL. Mr. President, discussion of the amendment submitted by the Senator from Tennessee [Mr. MCKELLAR] leads me to talk on the subject of secret sessions. It occurred to me that probably the Secretary of the Treasury got the idea of secrecy in the proceedings regarding tax refunds from the secrecy of the Senate in holding executive sessions. As was suggested in the speech of the Senator from Alabama [Mr. HEFLIN] it might be well to send some one down to the Secretary's office to get these secrets. It is noteworthy, however, that the secrecy imposed by the Secretary of the Treasury has been much more successful than the secrecy attempted in the Senate in keeping the names of Senators secret on the votes cast here in executive session.

One of my friends has suggested that it might be well, if the amendment of the Senator from Tennessee fails to pass, for the Senate to send to Mr. Mellon's office the newspaper man who secured the list of Senators who voted on the West case and see if he could not get the names for us; that he had had such success in ferreting out secret information in the Senate that he might be able to get secret information from the Treasury Department as to the list of names to whom refunds are made.

I hold in my hand an article from the Washington Post of this morning, copyrighted by the United Press, which purports to give the roll call showing how Senators voted on the confirmation of Mr. West for the office of Secretary of the Interior. I find my own name in the list and I am recorded as having voted against his confirmation. Under the rule of the Senate I dare not deny and I dare not affirm that report. That is true of every other Senator. I do not know whether the list is correct or not, and if I knew I would not dare to tell. I would be violating a rule of the Senate. Yet nobody is able to explain just how the list came to be as nearly accurate as it may be.

There are many methods, no doubt, of getting such information. Being one of those who have given some attention to radio, I have wondered whether it were possible that concealed in our desks there are sensitive microphones, or possibly there are in the carpets, woven wires of dictographs, so that all we say here in secret session is carried out to some unknown listening post. Or is it possible that in the ceilings of this sacred Chamber there are hidden electrical devices that carry out such information? I do not know.

I can not believe that any Senator would so forget his position as ever to tell any newspaper man how he voted on a great question. But the roll call printed this morning under copyright is evidence that we have reached a terrible state of affairs in the Senate. It is evident the time has come when men who have gone out to the people and secured their high position in this body in the open forum of politics can no longer get behind closed doors and cloak their actions so the world may never know what they do about the President's choice for Secretary of the Interior. Of course, if there is any office about which men might wish to be secret in confirmation of a nomineee, it would probably be that of the Secretary of the Interior. The records of certain Secretaries of the Interior of recent years might make Senators more desirous of not having it known how they voted on such a confirmation. Yet I submit it is a slander on the Senate that this list should be printed as correct and no Senator be able to rise in his place under the rule of executive sessions and state whether or not it is correct.

Mr. BRUCE. Mr. President——

Mr. DILL. I yield to the Senator from Maryland.

Mr. BRUCE. When we again go into secret executive session we might ask each and every Member of the Senate about it.

Mr. DILL. Suppose we were to ask each and every Member of the Senate, and a Senator said yes, he told somebody how he voted on the confirmation of Mr. West, would the Senator from Maryland then be in favor of expelling the Senator who had so violated the rule?

Mr. BRUCE. I do not say what I would be in favor of; but that is the rule, as I recollect. It provides for expulsion in case there is any violation of the rule relating to the business of a secret executive session. I was myself approached, as I suppose other Senators were, by members of the press to find out what the votes were. I believe if every Member of the Senate answered as I did, he declined to give any information whatsoever on the subject.

Mr. DILL. Now that it is printed, the Senator can not give any information about it either without violating the rule of the Senate.

Mr. GLASS. Would it violate the rule of the Senate if the Senator were to tell what did not happen in executive session?

Mr. DILL. If he told what did not happen, and it were different from what is reported to have happened, he would be telling that fact and revealing a secret of the Senate.

Mr. GLASS. No; the rule does not say that a Senator may not state what did not happen in executive session.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Georgia?

Mr. DILL. I yield.

Mr. GEORGE. I trust it will never become a rule of the Senate that a Senator may not denounce as false any such statement by whomsoever made.

Mr. DILL. It will be seen that we soon come to the splitting of hairs as to the meaning of words, and I submit it is getting us into a most difficult position.

Mr. GEORGE. I do not think that is a splitting of hairs.

Mr. DILL. It only illustrates the embarrassment and chagrin and the pitiable condition, if I may use that expression, in which Senators are placed.

Mr. GLASS. May I ask, if a Senator should take the responsibility upon knowledge of saying that the list was inaccurate, would that be a violation of the rule of the Senate?

Mr. DILL. I do not know. I am not able to answer that question.

Mr. HEFLIN. That would at least give the correspondent an opportunity to make it correct.

Mr. DILL. It would at least give the impression that the Senator who made the statement felt that the part of it which related to himself was not correct.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. DILL. I yield.

Mr. NORRIS. I should like to suggest to the Senator a method by which he could escape the disability under which he is laboring in not being able to say whether it is right or wrong. Of course, in secret executive session the Senator would be at liberty to state whether it is correct or not. If he wants to be vindicated before the people, the way to do it is first to get the Senate to go into secret executive session and then, if he will there state the truth, the newspapers the next day will publish it, and in that way he will get vindication. [Laughter.]

Mr. DILL. I thank the Senator for the suggestion, but that not having been done I wanted to call attention to the condition in which Senators are placed.

I shall not read the list as it appeared in the Washington Post, and I shall not enter into any further discussion of the matter. Seriously, this incident is illustrative of what I think is a most ridiculous situation, in which men holding high office as Senators find themselves. Why any man elected by the people to represent the people and carry out the will of the people in the conduct of public business should want to keep it secret is beyond my understanding of the spirit of modern democracy and of the spirit of the people of America.

Mr. NORRIS. Mr. President, I desire at this time to discuss the amendment pending to the appropriation bill. I am reminded to do so by what the Senator from Washington [Mr. DILL] said when he was discussing secret executive sessions of the Senate.

As I look at it, the Senate and the House as the lawmaking body are to blame for the astounding things which the Senator from Tennessee [Mr. McKELLAR] has disclosed in his remarks, although it ought to be said that on several occasions, when we have had bills relating to the Internal Revenue Bureau before the Congress for consideration, the Senate has adopted a publicity provision. It has always been rejected by the House and has always gone out in conference. Sometimes the publicity amendment was defeated in the Senate itself. If we had succeeded in making the law as the amendment of the Senate on several occasions provided the law should be in regard to publicity, the reasons for the amendment of the Senator from Tennessee would to a great extent have disappeared. I do not see how any of us can listen to his narration of facts without being impressed with the astounding things that have happened in the way of the refund of taxes.

I am not claiming, Mr. President, that the refunds were illegally or wrongfully made. I do not know. I have no way of finding out. As a Member of the legislative body of the country, if I wanted to change the law I would not be able, as we ordinarily are able, to ascertain how it is working and to say how it should be improved if it needs correction. The big sin in it all is the secrecy, and involved in such secret methods are not millions but billions of dollars that have been wrung from the people of the United States by taxation.

Because a corporation is a claimant and because its claim is large, I concede it does not necessarily follow that a refund is wrong. If the corporation has overpaid its taxes, then it ought to be allowed to get back the overpayment; no one will dispute that; but, Mr. President, there naturally comes a suspicion in the minds of honest people when enormous amounts are refunded, and when they are refunded in secret, without the record of the case, so far as the application and the evidence are concerned, ever having been made public, it naturally brings to the ordinary mind a suspicion of something wrong. The history of civilization demonstrates that a secret method of doing the public business will ultimately lead to corruption. There has never been an exception to the rule that where secret methods of government have been carried on for a reasonable length of time such a result has followed. It may be that so far in these tax reductions there has been nothing wrong, no illegal act, but it follows as night follows day, especially where there are such large amounts involved, that the transaction of the public business in secret behind closed doors necessarily leads to corruption in government.

I do not want to say, "I told you so," but it was said over and over again in the various debates we have had on this question in the years that have passed, that we should get into difficulty if we provided, as we have by law, that income-tax returns should be secret. The Senator from Alabama [Mr. HEFLIN] gave an illustration of what would happen in his State, and the same thing I think could happen in every State in the Union. A citizen claiming that he has been overtaxed appears, in the instance mentioned by the Senator from Alabama, before the board of county commissioners. He has to make an affidavit; there is a sort of trial, with the doors open, with the public admitted, there being no secrecy about it. The board adjudicates the case, and even though a citizen in following the case might not agree with the judgment of the board, unless he believed there was corruption, or something of that kind, he would accept the judgment of the board as final; he would be satisfied. On the other hand, if the action were taken in secret, the whole county in the case to which I refer would be talking about it the next day, and saying that the board of county commissioners had given to Mr. John Jones a refund of a tax of a thousand dollars, that they had done it in secret, and had never given the reason why the application was made and the hearings held in secret. Multiply that by a million, and you have what is going on in the Treasury Department by officials, some of them minor officials, and clerks who are passing on questions in the result of which every taxpayer in the United States is directly interested. We have evidence before us, I think undisputed—at least, so far it is undisputed—that in 1917 the Steel Corporation made its tax return without any coercion; it did it willingly under the law; and later on applied for and received a rebate of several million dollars.

That may be all right; if we could look behind the closed doors and examine the application and the evidence we would know in our judgment whether it was all right. Not being able to ascertain the facts we can not say that it was wrong; but is there anybody, knowing the Steel Corporation, which is one of the greatest corporations in the world, who believes that when that corporation makes a tax return it will be at all likely to make a return detrimental to itself? It may do that; it may be perfectly honest about it; but the presumption will not lead one to that conclusion. The thing that would cure it all would be publicity.

Mr. REED of Pennsylvania. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. Of course I yield.

Mr. REED of Pennsylvania. I should like to suggest to the Senator that the first return was filed on April 16, 1918; and there was not anybody then living or now living who at that time knew how invested capital should be calculated. The law had just been passed; the special assessment section of the law, as it is called, had not been construed, and nobody knew what it meant. It was in the middle of the World War and there was no time for any tax board to get considered advice on it. I think the Steel Corporation was only one of a very large number of corporations which made larger returns than they should have done and paid more taxes than they should have paid. I think that is worth carrying in our minds.

Mr. WARREN. Mr. President, I should like to say to the Senator that in all these matters the officials of the department comply with the law. That is the testimony before the committee.

Mr. NORRIS. Yes; that is the testimony before the committee.

Mr. WARREN. That testimony was quite elaborate. I should like to say further, so far as secrecy is concerned, that when the question is stripped of other considerations, as it can be by reading the testimony, there is very little of it left, and what is left is because of legislation of the Congress. In giving their testimony the officials of the department were very careful, as I noticed once or twice, not to go further than the law permitted, but there seemed to be a disposition to go just as far as the law permitted them to go, at the same time obeying the law.

Mr. NORRIS. Exactly. I said in the beginning that Congress enacted the law as to secrecy, and I am not finding fault with any of the officials. I am trying now, if I can, in my weak way, to have Congress remedy the difficulty which the statement of the Senator from Wyoming on its face admits exists. He says these officials are very nice; they seem to be anxious to go just as far toward publicity as the law will let them go. That is an admission, to begin with, that there is a barrier set up by the law over which and beyond which these men dare not go without violating the law. That is the criticism I am making now. It is the law that is wrong.

However, I was calling attention to the fact that those of us who realized that secrecy was going to get us into difficulty tried to change the law. We have tried it, I think, in every tax bill that has ever been before Congress since prior to the beginning of the World War. Sometimes we were successful so far as the Senate was concerned, but at no time did we succeed in putting into the law a real publicity feature with teeth in it, a feature that those who advocated it believed to be anywhere nearly satisfactory. If we had publicity we would get rid of all suspicion, and we would get rid of what must sometimes come, if it is not here now, corruption in these matters. We can not continue secret methods indefinitely and keep corruption out. We would get rid of it if we had publicity and public business were not transacted behind closed doors in secret. When a committee of the Senate tried to get information from the officials whose very existence it provided and asked them on the witness stand to give information, they answered—and properly answered—"We can not tell you that, Senator; that is a violation of the law, the law that you passed."

No one was hurt because the small taxpayer mentioned by the Senator from Alabama—and whether it be the case of a little taxpayer or a big taxpayer matters not—had his tax refunded in a public manner. Is anybody trying to repeal that law? No; it is conceded to be right and to be necessary; but when it comes to the refund of Federal taxes, involving millions and hundreds of millions and billions, then it is said, "Drop the curtain; keep the people back; do not let anybody know the facts." One of the difficulties, though not the only difficulty, is that behind this curtain of secrecy in the Treasury Department they seem to be able to conceal from the bright newspaper men the things they do, whereas here in this august body we have not been able to do that. Perhaps we can learn from the officials in the Treasury Department or the officials in the Bureau of Internal Revenue how to do it. We certainly have not been able to do it as yet in this body, and I confess I am rather delighted that we have failed in our attempt. I do not feel very sorry about it.

Mr. GLASS. Mr. President, the pending proposition, as I understand, is to appropriate $75,000,000 in addition to what has already been appropriated——

Mr. WARREN. Mr. President, may I say to the Senator that the amount already appropriated is for the next fiscal year, and this appropriation is for the present fiscal year?

Mr. NORRIS. It is a deficiency.

Mr. WARREN. Yes.

Mr. GLASS. That, I will say to the Senator, does not affect what I was about to say. The pending proposition is to appropriate $75,000,000 additional to pay for refunds of taxes illegally and erroneously collected, and it has been suggested that all this is to be done in secret; but the text of the bill provides—

> That a report shall be made to Congress by internal-revenue districts, and alphabetically arranged, of all disbursements hereunder in excess of $500 as required by section 3 of the act of May 29, 1928 (45 Stat. 996), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

I do not see, under this pending proposition, how any big taxpayer may escape publicity.

Mr. NORRIS. Mr. President, the provision which the Senator has read and all in the law to which that provision refers, if adhered to strictly, will not give publicity. There is but little advantage in saying when a refund is made, "We have given to Mr. Smith $50,000; we have given to Mr. Jones $100,000." That much will have to be reported; but that only, it seems to me, in one sense at least, adds to the difficulty. "Why did you give Mr. Jones $100,000? What was his claim? Why is it that Mr. Smith was entitled to $50,000?" "That is a secret; we can not give you that information." The whole transaction is shrouded in mystery at once.

As I remember, in the Couzens committee's investigation down here in the bureau, in the secret archives of it, you will find a decision perhaps in some man's case making a certain order, and a part of that decision will be, "This decision must not be used as a precedent."

What does that mean? What would any lawyer think that meant if he were investigating it and found it? The knowing ones who are inside and know that such an order has been made in secret, and that John Jones has gotten $100,000 by virtue of it, can, with a confederate on the outside—or, if necessary, by resigning and getting a confederate on the outside—say to Mr. Smith, who may have a similar case, "I know of a decision that will give you a hundred or two hundred thousand dollars in the way of a refund of tax"; and that leads to more corruption and unfairness.

What about the fellow who never hears of it? What about the man who has a just claim for a similar refund, assuming that the other one is just? Why should not his tax be refunded? It almost resolves itself to this as a practical proposition—that only those can get redress who are able to pay the enormous fees of these people who get information out through the closed doors of this bureau, assuming for the sake of the argument that in every case they are entitled to redress. There are other men who would get refunds of much smaller amounts, so small that one of these attorneys probably would not fool with them; and yet to such an individual a penny might mean more than a hundred thousand dollars to some other man. He is entitled to a refund, and ought to have it, but he never finds it out. He has no way of telling it. He can not read these decisions; he can not read these arguments that are made; he has no access to the tribunal that makes these immense refunds of taxes.

Mr. President, it may be that the amendment proposed by the Senator from Tennessee transfers this work to some place where it ought not to go. I myself have not been convinced that the Board of Tax Appeals is not an appropriate place to which to send it. The thing that moves me more than anything else is that if that happens there will be something in the nature of a trial. It will be public, and there will not be these suspicions, even though they be nothing but suspicions, which everybody knows in time will grow into realities, into proportions of fraud and wrong that will be almost immeasurable. For the sake of good government, honest government, we ought to put this matter somewhere where there will be a trial, and there will be a trial in the open.

Perhaps a better method can be devised. I should be glad to support one if it could be devised; but I should like to say that if the amendment which is now pending, and which will require a suspension of the rules, and therefore a two-thirds vote, is not agreed to, there will be an amendment offered that will not be subject to a point of order, that will in a modified form, at least as far as this appropriation is concerned, reach the dilemma.

It seems to me the better way would be to agree to the amendment of the Senator from Tennessee, and make it general, so that it will apply not only to this appropriation but to every other appropriation heretofore or hereafter made.

Mr. COUZENS. Mr. President, I have discussed this matter so much before the Senate from time to time that I hesitate to take the time of the Senate now, and particularly do I regret having to oppose the proposal made by the Senator from Tennessee [Mr. McKELLAR].

The proposal made by the Senator from Tennessee is very involved, and would, as stated by the Senator from Virginia [Mr. GLASS], greatly complicate the administration of the Income Tax Bureau.

There are some 12,000 claims still pending, as I am informed, before the bureau for old years; and under this proposal all of these cases, in addition to claims for rebates and credits and abatements, would have to go before the Board of Tax Appeals, who are already loaded up for years and years in advance.

It can hardly be contended that a legitimate claim should not be paid. No one contends that; and yet if these legitimate claims had to go before the Board of Tax Appeals it would be years and years before they would be paid, and there would be millions if not hundreds of millions of dollars of interest which would have to be paid by the Government by reason of the mere deferring of the settlement of these claims. It seems to me that under these circumstances other means may be adopted that will very largely accomplish the purpose desired with respect to proper publicity, or making these cases public records.

For that reason I dislike very much to resist the amendment proposed by the Senator from Tennessee, because his objective is correct. He has in mind a perfectly laudable object, and no one would like to see it attained any more than I would; but I think the attempt to attain it in this way is impracticable.

I desire for a moment to go into the question of the discretionary power and thereby the opportunities for privileges and favoritism that can be granted under the existing law and the existing practice.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. COUZENS. I do.

Mr. McKELLAR. I will say to the Senator that if he has a better way to effect the same purpose that I know both he and I have in mind, I shall be delighted to join him in effecting that purpose.

Mr. COUZENS. I thank the Senator very much, because I believe that we both have the same object in mind.

There is a general impression that the so-called Watson-Couzens committee was interested only in resisting refunds; that we had no interest in the taxpayer; that we had an interest only in seeing that refunds were not made, and complaining about irregular and improper tax refunds. That is not the case. The committee endeavored to point out that by these methods—methods provided by law—there was every opportunity in the world for favoritism and for fraud and deceit.

I have repeatedly said that if I were Commissioner of Internal Revenue, or in charge of that bureau, I could perpetuate any political party in power; and I repeat that statement. It is entirely possible, and I believe to an extent practiced, that every contribution to a political party may be secured out of the Treasury of the United States through a refund or an abatement or a credit to these corporations or individuals who contribute to campaign expenses.

I want to show you just a case here that has recently come before the tax commission. The tax commission was created by the act of 1926 or 1928, I forget which, when Congress passed a law providing that a commission should be appointed, constituted of five members of the House Ways and Means Committee and five members of the Senate Finance Committee. In the CONGRESSIONAL RECORD of January 5, 1929, you will find a number of tables and copies of letters which came from this tax commission, made up of Members of the House and Members of the Senate; and because of the secret records, which are not now secret, in fact, some of those papers deal specifically with the Reynolds Tobacco Co. The records and the statements in the CONGRESSIONAL RECORD refer to the "X Tobacco Co.," and the designation "X Tobacco Co." is used because at that time it was a violation of the law for the staff to use the name of the corporation; but when the refunds were filed it was disclosed that the Reynolds Tobacco Co. secured a refund in the amount paid to the company referred to as the "X Tobacco Co.," so under that process it was possible to develop the fact that it was the same company that was referred to.

The Senator from Pennsylvania [Mr. REED] yesterday commended the expert who is in charge of the work for this com-

mission; and in response to a comment from the Senator from Arkansas [Mr. ROBINSON] the Senator from Pennsylvania said:

We chose him—

That is, Mr. Parker—

because of his conspicuously fine work with the Couzens committee. Nobody could think that Mr. Parker was prejudiced in favor of the Treasury Department. He has rendered us loyal, faithful, and able service.

Now I want to comment on what Mr. Parker says with respect to this Reynolds Tobacco Co. case.

For example, when the papers first came to the tax commission Mr. Parker objected to the form of settlement that was proposed to be made. Remember that under the law the Bureau of Internal Revenue had to refer to this tax commission all claims in excess of $75,000, and when that was done the commission staff might have 30 days within which to audit and check the accounts; but they were given no authority to resist the payment or to stop the payment, and therefore the law was ineffective and is ineffective.

Mr. Parker wrote to Mr. Alvord, special assistant to the Secretary of the Treasury, under date of June 30, 1927. He says:

In connection with the refund proposed to the R. J. Reynolds Tobacco Co. for the years 1918 to 1921, inclusive, we would like to make an examination of the complete files in this case for the years noted. We respectfully request, therefore, that such files be delivered to our corporation auditor, Mr. Chesteen, in room 2653, Treasury Annex No. 2. The refund in this case is principally due to the computation of the tax under the special-assessment provisions, sections 327 and 328. The profits tax has been fixed in accordance with the rate paid by only one comparative company.

I want to emphasize that "one comparative company," because I am going to refer to it later.

The revenue act of 1916, section 328 (a), contains the following words:

"In the cases specified in section 327, the tax shall be the amount which bears the same ratio to the net income of the taxpayer in excess of the specific exemption of $3,000 for the taxable year as the average tax of representative corporations"—

Plural, "corporations"—

engaged in allied or similar trades or business bears to their average net income."

In view of the express provisions of the statute quoted above, it would appear that the use of one comparative in making a determination of tax under this section would be illegal.

In the first place, the word "corporations" is plural; and in the second place it is impossible to give a meaning to the word "average" if applied to only one comparative company.

We would appreciate it if some one of the general counsel's office would give us a legal opinion on this point, as it seems possible that it may have been overlooked. We wish to examine the files in this case, in order to see whether the total advertising costs have been charged to expenses during the years under consideration. Special assessment has been granted on the ground that advertising expenses should have been capitalized, and we are of the opinion, therefore, that at least during the years under consideration such costs should not be allowed to be deducted from income as an expense item.

What happened, in substance, was that both those things happened; they were permitted to deduct for expenses, and, in addition, expenses were capitalized for the purpose of computing excess profits.

Mr. GLASS. What was the response of the bureau to that request of the commission? Did the bureau give the expert of the commission access to the records in the case?

Mr. COUZENS. Yes; they had access to the records in the case, but there seems to be a dispute between Mr. Alvord and Mr. Parker as to whether a written response was made to this request. I find no record of a written reply, at least, having been made to that letter. I am coming to the point later on as to probably the reason for no written reply having been made; or, at least, I do not find it.

To get at this Reynolds Tobacco case and to show the power and the discretion of the Commissioner of Internal Revenue, and therefore the possibility for favoritism, on page 1219 of the CONGRESSIONAL RECORD of January 5, 1929, there is a table at the bottom of the page numbering 15 companies. They do not dare under the law to name the companies, but these are specific companies, numbered 1 to 15, all tobacco companies. All of these companies paid their taxes on the statutory basis, not under the special-assessment provision of the tax law.

Company No. 1 was a small company and had a net income of $29,531. They paid a profits tax of $12,725, or 43.09 per cent. I am not going to take up the time of the Senate to enumerate all of these. We will go down to company No. 5, which earned $66,102. They paid $41,981 in profits taxes, or 63.50 per cent.

Then we go down to company No. 15, and we find that they made $583,082 and paid a tax of $263,569, or 45.20 per cent.

The average of what those 15 companies, which were all small companies, earning during 1918 from a minimum of $29,000 up to $583,000, paid in excess-profits taxes was 41.86 per cent of their income.

For 1919 there is shown a table following substantially the same lines, only that the percentage of profit paid to net income during that year by 10 different companies was 14.78 per cent.

Take this "X" company, which is the Reynolds Tobacco case, for instance. In 1918 their statutory tax on excess profits would have been 50.37 per cent. The rate the bureau let them get away with was 26.09 per cent, while the average for these little concerns was 41.86 per cent.

In 1919 the statutory tax for the Reynolds Co. would have been 18.1 per cent. The Treasury let them get away with 6.16 per cent, while the average of the other companies was 14.78 per cent of their net incomes.

In 1920 the statutory tax of the Reynolds Co. would have been 11 per cent, and they settled on 4.67 per cent, while the average for that year for these other companies was 12.38 per cent.

The question arises, why was the Reynolds Tobacco Co. case settled on such a low rate, and why was such a large amount of refund made by the department?

Mr. Parker points out in the letter to which I have referred that the tax was fixed in accordance with the rate paid by only one company. So that left it discretionary with the commissioner or his staff to pick any particular company they liked for comparative purposes. The commissioner could have picked a little company which made a small return and compared the rate of the larger company with that, or he could have picked a large concern and compared it with that.

Mr. GLASS. That would not be a correct interpretation of the law as stated by Mr. Parker.

Mr. COUZENS. That is just exactly the point I make. I say that there is nothing mandatory that the department obey the law. Under this process they would have to obey the law. They can do anything they please, in defiance of law, and there is no way under the sun by which Congress, or any other body, when the taxpayer agrees, can question the payment.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. NORRIS. As I understand it, the law requires them to settle in accordance with an average of similar corporations.

Mr. COUZENS. Yes.

Mr. NORRIS. They settle, as a matter of fact, by taking one corporation.

Mr. COUZENS. That is correct.

Mr. NORRIS. Of course, as the Senator says, and says truly, that was a violation of the law, but it was done secretly.

Mr. COUZENS. Oh, yes.

Mr. NORRIS. That could not have happened if there had been publicity of those decisions.

Mr. COUZENS. I do not like the word "publicity," because the public seems to have misunderstood it. I mean that these records are public records. I do not care whether there is any publicity given to these settlements or not. All I want is that if I am in a like business I may be able to go to the records and see that I get the same kind of treatment my competitors get.

Mr. NORRIS. That is all that anybody wants.

Mr. COUZENS. That is all anybody wants; but the public mind and the minds of Members of Congress are confused between the words "public records" and "publicity." I do not ask for any publicity. I never approved of a publicity clause in revenue acts. What I want is for these records to be public records, so that if I am in the tobacco business and see my competitor, the Reynolds Tobacco Co., get $9,000,000 in refunds, with $2,000,000 interest, I want to be able to go down and see why I do not get the same kind of treatment.

Mr. NORRIS. If the Senator will permit me, on every occasion when we put an amendment in regard to publicity on a revenue bill it was not in the form in which it was written in the law; the provision finally adopted was a different proposition and did not amount to anything. The amendment we adopted simply provided that these returns should be public records and treated and considered as public records generally.

Mr. COUZENS. That is true.

Mr. NORRIS. That is all we tried to do.

Mr. COUZENS. That was true of the last revenue act.

Mr. NORRIS. Yes.

Mr. COUZENS. In previous revenue acts they jockeyed some sort of language into the law which provided that the internal-revenue collector should lay on the counter a list of income taxes which the newspapers could come and get. That was absurd and silly and defeated itself.

Mr. NORRIS. Will not the Senator permit me to explain just how that came about? That was the result of an amendment put on in the Senate which, as I remember it, was word for word with the language we wrote into a previous act. One was copied from the other. But when it was finally agreed to in conference the law had the silly provision in it to which the Senator has referred. Nobody asked for that. That was what the conference committee gave to us in the law. Those in favor of what is ordinarily known as "publicity" never advocated anything of that kind.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to ask a question at that point?

Mr. COUZENS. I would like to complete my statement; but the Senator may go ahead with his question.

Mr. REED of Pennsylvania. I got the impression, from the questions of the Senator from Nebraska, that he had concluded that the Government had lost by reason of the secrecy in the tobacco case, and the use of only one comparative.

Mr. COUZENS. I was going on with the story.

Mr. REED of Pennsylvania. The Senator did not intend to give that impression, I am sure.

Mr. COUZENS. I had not completed my story. If I may do so, I think I will make that plain, and show that this works both ways, and that we are not only interested in seeing that the Government's revenues are protected but are interested in seeing exact justice done between all taxpayers, and the taxpayer and the Government.

Mr. NORRIS. Of course.

Mr. COUZENS. When they came to make a comparison for the purpose of computing the amount of the special assessment that should be made, I am informed that the bureau took the firm of Liggett & Myers, tobacco people, and they said, "There is what their earnings are, and we will compute the Reynolds Tobacco Co. tax on the same basis." They never went to any of the little concerns, or the other enumerated in the record to which I just referred.

I am informed by members of the staff—I doubt if there is a record here of it—that the reason they did not take the American Tobacco Co. and other cases was that had they done so, and added the rates together, and averaged the assessment on that basis, the refund to the Reynolds Tobacco Co. would have been $5,000,000 more. That is what the Senator from Pennsylvania means when he says that the Government was not gotten the best of in this settlement. In other words, if the Reynolds Tobacco Co. had gone in and been able to look over the records of the American Tobacco Co., or of the Liggett & Myers Co., or the other big companies, they would have said, "Here, take these comparisons, and if you do we will have $5,000,000 more of a refund coming." But they were not able to see those records.

Suppose the Reynolds Tobacco Co. had refused to contribute to the Republican Party and they were therefore compelled to pay $5,000,000 more taxes. I mean that is an example of the possibilities. I do not even claim that such possibilities exist; I do not know; but if I were in charge of the department, and I wanted to do so, I think I could make it so that it would not cost anybody anything to conduct a Republican campaign or a Democratic campaign, according to which party happened to be in charge of the administration.

The strange thing is that everybody is so involved in this matter. Every company has such a stake, whether it is a banking company, a publishing company, a manufacturer, or what not, they have all such a stake in the Treasury Department that they do not dare publicly to criticize the kind of settlements that are handed down in the department.

It is incomprehensible to me why anybody should oppose this. Distinguished Senators, like the chairman of the Finance Committee and the ranking member on the Democratic side, both wrote letters to the Reynolds Tobacco Co., pointing out that the law contemplated that that was the kind of a concern that was to receive the benefits of the special assessment taxes. The courts have ruled that this discretionary power in the Commissioner of Internal Revenue can not be reviewed by the courts. So that in the settlement of these cases the decision of the commissioner is final, it is not subject to review by anyone, not even the courts of the country can review them. They have already decided that, because they say it is wholly discretionary with the commissioner.

It is said that most of these refunds are based on decisions over which the bureau has no control. Twenty-five per cent of these refunds are based on claims under the special assessment statutes, and therefore it is entirely discretionary with the commissioner.

It may be said that the Congress is responsible for making that sort of a law. It is, in the initial stages, yes; but we have a right to assume, when we pass a statute of that sort, that discretion will be used with judgment, and I contend that in these cases there has been no kind of judgment used in the method of computing these special assessments, so that in the absence of that there has been all kinds of possibility and probability of favoritism.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. McKELLAR. The Senator recalls the testimony of Mr. Blair, the commissioner, that he had never exercised that discretion himself at all; that he had never passed on any case; and so the discretion that is being exercised must necessarily be that of some employee of the department.

Mr. COUZENS. That is true, but I think, perhaps, the commissioner overstated the fact, because I know the record shows cases in which he was conferred with, and complaint has been made that he has been dilatory in reaching a final conclusion in many of those cases and thereby caused delay.

Mr. PHIPPS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Colorado?

Mr. COUZENS. I yield.

Mr. PHIPPS. Having heard the testimony of the commissioner, I want to say that I did not derive the understanding from his statement that appears to have been derived by the Senator from Tennessee.

Mr. McKELLAR. I will read what he said so there can be no doubt about it.

Mr. PHIPPS. I do not think that point was definitely brought out.

Mr. McKELLAR. We will see about it. I will look it up and read it as soon as I find it.

Mr. COUZENS. Mr. President, it is always an unhappy thing to have to refer to one's personal experiences and his personal affairs in matters of this kind, but the Senator from Tennessee in discussion of the case this morning brought out the opportunities for the tax experts to mulct the public because of having inside information. There would not be any inside information if the records were public records. The decisions rendered by the solicitor would not have the statement in them that "this case is not to be used as a precedent for other cases." The decisions would all be made public, and like cases would get the same treatment.

I think it may be said that the anxiety of the Bureau of Internal Revenue at times to get revenue has caused them to do as much injury to the taxpayers as to the Government. I am not saying that the action of the Bureau of Internal Revenue has always been on the side of the taxpayer or always on the side of the Government. It is their lack of proper balance and proper judgment that I criticize. I contend that that would not be possible if the records were public records. I think in many cases the taxpayers have been done a great injustice, and I think in many cases favoritism to taxpayers has resulted in injury to the Government.

For instance, in 1922, before I came to the Senate, Mr. Thompson, of Black & Thompson, first presented to Mr. Mellon the so-called difference in valuation of Ford's stock valuation in 1913. He came to my office and said, "You were required to report a certain dividend in the year 1919 as income. I can get that put back into the 1916 or 1917 tax return." That would have carried with it a much lower rate than the 1919 rate, because the 1919 rate was the highest rate in all history. I said, naturally, "What will it cost?" "Oh, half a million dollars." I said, "What are you going to use a half million dollars for?" He said, "There is a lot of work to be done in the Treasury Department, a lot of people to see, expenses to incur, and so on. It will take half a million dollars to get that million-dollar refund or to get that dividend placed back in the year 1917 so you will have a lesser rate to pay." The difference, as I said, was approximately a million dollars.

Obviously, of course, I turned the proposition down and let the matter stay in the year in which the bureau had put it, as I thought the bureau was right and that it was placed in the proper year. It was one of the cases where the man with inside information could go around and solicit business. While I recognize it is a violation of the rules to solicit business, yet they do it, and the Senator from Virginia [Mr. GLASS] knows of cases where they have solicited business. I think everybody having any information at all on the subject knows that it is done promiscuously.

As I said, I do not want to take the time of the Senator unduly, but I can not possibly follow the Senator from Tennessee [Mr. McKELLAR] on his amendment, although his objects are highly desirable. However, I am afraid it would result in a worse condition than exists now. I believe the only cure for the situation is to decline any appropriations for refunds until the claims have been passed on by the bureau. Just think of the absurdity of making appropriations for nearly a billion dollars in advance of any information to the Senate or to the Congress as to how the money is to be used, to whom it is to go, and under what circumstances and why. If we make an appropriation for a judgment rendered by the Court of Claims we know the circumstances of the case and we decide from those circumstances whether we should make the appropriation.

But we have given the Bureau of Internal Revenue in the last eight years a blanket billion dollars and said, in effect, "Here is a billion dollars; do as you please with it; use it in secret; refund to whom you may desire." If the appropriation was eliminated and the Congress were to say that no appropriations will be made for refunds until the bureau has submitted the cases and the circumstances, the names of those to whom the money is to be paid, and so forth, there would be some sense to it. But Congress never expected, in my judgment, that the tax commissioner should be able to pass upon the matter intelligently without any delay or expense to the Government.

Mr. GLASS. Mr. President——

Mr. COUZENS. I yield to the Senator from Virginia.

Mr. GLASS. I quite agree with the Senator from Michigan that the object sought to be attained by the Senator from Tennessee and approved by the Senator from Michigan is an object I would like to see attained. The Senator has offered a practical solution of the situation. I do not think the proposed amendment submitted by the Senator from Tennessee is a practical solution.

Mr. COUZENS. I hesitate, as I said, to oppose it, because the object desired is one which I have very much at heart; but I am afraid his plan will not work.

Mr. GLASS. The Senator knows that Congress is responsible for the situation. The Internal Revenue Bureau is not responsible for it.

Mr. COUZENS. It is responsible for its lack of judgment.

Mr. GLASS. I mean the secrecy of the situation.

Mr. COUZENS. That is true.

Mr. GLASS. Effort after effort has been made here to make the records public, and the Congress is responsible for the failure to do it.

Mr. COUZENS. While we are on that subject will the Senator permit me to ask him a question? I quote from a statement he made a while ago:

> I long ago called the attention of the Senate to the fact that a little clerk up in the Internal Revenue Bureau positively maneuvered the Government into a position where it might plead the statute of limitations against a taxpayer in my State. I had to appeal personally to the Secretary of the Treasury to get him to cancel the order.

I would like to know from the Senator if the Secretary of the Treasury has the power to waive the statute of limitations? Has he the power, or did he merely exercise it on his own account?

Mr. GLASS. This occurred: A taxpayer in Virginia was notified that there was due on back assessments the sum of $2,384, it being a small corporation, and that if it were not paid within a given time the penalty would accrue. They were put to the necessity of coming to Washington and employing a lawyer and an actuary to go before the bureau and present his case. After the presentation of the case the bureau was compelled to come to the conclusion that instead of owing the Government $2,348, it had overpaid its taxes to the extent, as I recall it, of approximately $200. An attaché of the bureau so delayed sending out the Government's check for the refund of this erroneous assessment as to maneuver the Government into a position where it might claim the advantage of the statute of limitations and refuse the repayment of the $200.

Mr. COUZENS. Did they actually do it?

Mr. GLASS. They did actually do that. The matter incidentally came to my attention, and I felt so indignant about it that I went to the Secretary of the Treasury and stated the case to him. He agreed that it was an outrageous performance, and the next day I had a letter from the Internal Revenue Bureau, about as follows:

> DEAR SENATOR: I believe that you were somewhat interested in a tax case of a given corporation in your State. We find upon examination that a certain letter written by the corporation at a certain time may be construed as within the limitation, and we are pleased to tell you that a check for the overassessment has gone to the taxpayer as of this date.

Mr. COUZENS. Does the Senator suppose that anyone but a United States Senator would have received such consideration if he had gone down there?

Mr. GLASS. I do not know as to that. I know that the taxpayer had not gotten any consideration.

Mr. McKELLAR. Mr. President, will the Senator yield to enable me to place in the RECORD what Commissioner Blair said?

Mr. COUZENS. I yield.

Mr. McKELLAR. On page 2 of the hearings appears the following:

> Senator McKELLAR. You yourself do not actually review these cases?
> Commissioner BLAIR. No; I can not possibly do it.

Mr. REED of Pennsylvania. And on the following page appears the following:

> Senator McKELLAR. As a matter of fact, I do not suppose you have ever passed on one yourself, have you?
> Commissioner BLAIR. It very often happens that these cases are appealed to me, and in an important case, where the head of the unit is in doubt, he often comes to me and discusses the case. I do not go into them unless the people in the unit bring them to me, but when they are in doubt about a question they come very frequently and discuss these matters with me.

Mr. COUZENS. Mr. President, before I conclude I want to make a short reference to the Steel Corporation. I make reference to it because there has been a great deal of publicity about the large amount to be refunded to that corporation.

When the committee was appointed by the Senate to investigate the Bureau of Internal Revenue the situation with respect to the Steel Corporation was most deplorable and in such chaos that the committee could do very little with it. The committee examiners examined the case and the rulings that were then proposed to adjust and settle the taxes. The experts of the committee protested against some of the proposed decisions in the settlement. I recall one related to the Steel Corporation having claimed amortization on railroad property when railroad property was excluded from amortization under the law and no railroad company was enabled under the law to get any amortization by the expansion of their property for war purposes.

We protested against any allowance for amortization on the Steel Corporation railroad. I understand the bureau agreed that we were right and said they would not permit any amortization on the railroad property. There were other subjects, such as amortization of the steel plant depreciation and obsolescence. That was the best we could get out of it at that time. Senators will remember that we were under great pressure. The Treasury Department and the Senator from Pennsylvania [Mr. REED] were driving us to get out of the department. I do not know just why they were in such haste to get us out, but they put a limit on the time in which we could continue our investigation.

When we left, the case was then at the point of being reaudited and the property reappraised; and now that the settlement is about to be concluded, I am informed that under the able Mr. Parker—and everyone agrees that he is able—the settlement is not in accordance with the law and not in accordance with good practice or the prior decisions of the Bureau of Internal Revenue. I assume that the Senator from Pennsylvania [Mr. REED], who frankly admits he is attorney for the Steel Corporation, or at least did admit it at one time, will be able to tell us why the settlements are made. I assume that he, being a member of the tax commission, will be able to tell us why what we considered illegal and improper adjustments have been made.

Mr. REED of Pennsylvania obtained the floor.

Mr. HEFLIN. Mr. President, before the Senator from Michigan takes his seat——

Mr. REED of Pennsylvania. The Senator from Michigan has taken his seat, and for the moment I decline to yield. I might even rise to a question of personal privilege in response to the last remark of the Senator from Michigan.

Mr. President, since the Steel Corporation was organized in 1901 my firm has represented it in Pittsburgh. For decades prior to that time the firm, even before I was born, represented a number of the constituent companies of what is now the Steel Corporation, and I have no occasion to apologize for that.

Mr. COUZENS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED of Pennsylvania. I yield.

Mr. COUZENS. I want to say that I imputed no improper motive to the Senator. I commended him, because when the

case came before the joint committee I am informed that he refused to express an opinion before the committee, because he was interested as an attorney for that corporation. I want to make that explanation because I am imputing no improper motives to him.

Mr. REED of Pennsylvania. I thank the Senator.

I never had a tax case for the Steel Corporation in my life. I did not know this case was pending until I learned about it in connection with the work of the joint committee and the so-called Couzens committee. I never talked to any officer of the Steel Corporation about it, and all I know about it I have learned from the Government's side. I did not sit in the session of the Joint Committee on Internal Revenue Taxation, of which I have the honor to be a member, until I had explained to the full membership in the presence of Government counsel my connection in other matters with the Steel Corporation, and I offered to withdraw from the meeting if any person there had any question about the propriety of my staying; and they were all good enough to say that they hoped I would not withdraw.

Mr. President, I do not know a blessed thing about this case that is not known to other members of the joint committee, nor do I know anything other than what I have learned in the open meetings of that committee. I have no interest in the Steel Corporation as a stockholder. It is a matter of indifference to me whether it gets a refund or pays an additional tax. I am sorry to talk so much about myself, but I felt driven to do it.

I wish to say a few words about the amendment of the Senator from Tennessee [Mr. McKELLAR]. The proposition is that wherever an overpayment of taxes is claimed by the taxpayer to have been made, if his claim exceeds $10,000, whatever the nature of his tax, he shall be driven to a lawsuit before the Board of Tax Appeals in order to get his money back.

At present the Board of Tax Appeals is disposing of about 2,000 cases a year. Last year it heard and disposed of 2,085 cases. At the present moment it has pending on its docket over 20,000 contested cases in which deficiencies are asserted against the taxpayer. The board is moving at a speed of 2,000 cases a year. Anybody can figure what that means. If this amendment shall be adopted, it will mean that over 4,000 additional cases per year will be thrown into the Board of Tax Appeals. Last year there were 4,052 claims for refunds of more than $10,000; in other words, if not another case of the type of which the board now has jurisdiction were brought before it in the future, if its present business stopped dead here, then the new business which would be brought to the board by the McKellar amendment would come in at twice the rate at which the board is able to hear cases and dispose of them; in other words again, we should have to double the membership of that board just to enable it to hear the cases that would come to it under the McKellar amendment alone.

Mr. McKELLAR. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED of Pennsylvania. I yield.

Mr. McKELLAR. The Senator from Pennsylvania understands, does he not, that the Board of Tax Appeals takes a different view of that? The members of that board believe that with their present membership all cases can be disposed of with reasonable promptness.

Mr. REED of Pennsylvania. I should like to see some evidence to justify that faith. They have been falling behind at a great rate, and a couple of years ago it looked as though the Board of Tax Appeals would have to be abolished because it was serving simply as a dam that backed up the current work of the department.

Let me remind the Senate what this amendment would mean. Take the Steel Corporation case that has been talked about so much. The number of sheets of paper in the record in that case, which under this amendment would have to be certified to the Board of Tax Appeals, is over 100,000. The record in that case which the commissioner would have to certify to the Board of Tax Appeals is so voluminous that it could not be gotten into a committee room of the size of the Appropriations Committee room in which the hearings on the pending bill were held. Imagine certifying a record like that to the Board of Tax Appeals.

Mr. McKELLAR. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED of Pennsylvania. I yield.

Mr. McKELLAR. The Senator recalls that the amendment provides on its face that only such part of the record shall be certified as under regulations of the Board of Tax Appeals shall be found necessary.

Mr. REED of Pennsylvania. Very good. I read the amendment to require the entire record to go there, but suppose it required only the decision? The decision in the Steel Corporation case covers more than 2,400 pages. How long would it take the members of the Board of Tax Appeals to read understandingly 2,400 pages of closely written typewriting dealing with the most difficult technical subjects? That is the proposition. If we want to sink the Board of Tax Appeals to the point where it will be utterly useless for any sort of functioning, that is the way to load it up, for inside of three months it would be so snowed under that it could not possibly perform the functions for which it was intended.

Do not let us blame the Commission of Internal Revenue too much; let us put a little of the blame where the blame belongs. Of all of the mysterious pieces of legislation that ever was passed in the name of a taxing system, the excess profits tax law, with which we tried to raise money in war times, is probably the worse. Lewis Carroll in Alice in Wonderland could not have done justice to the subject. Let me read to the Senate, by way of reminder, two sentences which form the basis of what is called the special-assessment action in the Reynolds Tobacco case, and then ask the Senate whether the commission is to blame for using what seems to be a vague discretion. I will read the order that went to him from the Congress of the United States in sections 327 and 328 of the tax law of 1918.

Mr. BRATTON. Mr. President——

Mr. REED of Pennsylvania. I yield to the Senator from New Mexico.

Mr. BRATTON. Before the Senator from Pennsylvania proceeds further, I understood him to contend that the Board of Tax Appeals could not review these cases without doing an injustice to its present volume of work and without getting further behind.

Mr. REED of Pennsylvania. That is correct.

Mr. BRATTON. That is a procedural matter with which we might be concerned. It seems to me, however, that the principle with which we should concern ourselves is whether it is wise to have refunds of $10,000 or more reviewed by some tribunal in public. Will the Senator not give us the benefit of his views on that feature of the question?

Mr. REED of Pennsylvania. In a moment I will be glad to do so. In passing I may say that I do not think administrative action of the Government is improved by reposing a supervisory authority in the judiciary. I think that administration and the judicial action should be kept apart. I never have approved in theory of the joint committee having power to supervise tax refunds. I do not think that it is the business of the legislature to supervise current administrative action except for the sake of getting information. In this instance, of course, we need all the information we can get; but if we are expected to regulate current administrative action we are going beyond the wise limits of our power.

Mr. BRATTON. The point I had in mind was that if every controversy involving a claimed refund of $10,000 or more should be reviewed by some administrative tribunal and we also should think that the Board of Tax Appeals is incapacitated to handle the increased volume of business, whether we should provide a tribunal to hear and determine those matters.

Mr. REED of Pennsylvania. I beg the Senator's pardon. I agree that controversies over refunds of $10,000 or any other amount should be judicially determined. What I object to is sending to the Board of Tax Appeals cases as to which there is no controversy between the bureau and the taxpayer; and that is what this amendment would do.

Mr. BRATTON. Even though the matter might not be in open active controversy, if it involves a refund of more than a certain figure, substantial in size, does not the Senator think that the case should be reviewed by some tribunal where there could be publicity?

Mr. REED of Pennsylvania. The question of publicity is a different question entirely.

Mr. BRATTON. The general subject of publicity as applied to all matters involving the Internal Revenue Bureau is a different question; but confining ourselves to cases involving claimed refunds of more than $10,000, it seems to me that they are of sufficient magnitude and importance that the confidence of the country in Government would be enhanced by having the cases reviewed by some tribunal in such a way that the public may know the facts.

Mr. REED of Pennsylvania. I will grant that any controversy ought to be adjudicated by a tribunal as nearly impartial as we can make it, but certainly there is no ground calling for the action of the judicial department until there is something to adjudicate, and where all the parties at interest are agreed upon the action to be taken there is nothing to adjudicate; there is no controversy to be settled.

Mr. BRATTON. Yes; there is something to adjudicate. It is the contention of the taxpayer that he is entitled to a refund. Although it may not be defended actively by anyone on behalf of the Government, still the claim of the taxpayer is

a matter to be adjudicated. In my opinion, it is conducive to confidence in the bureau, confidence in the department, to have the contention reviewed by some authority where the facts can be made public.

I do not say that from any spirit of criticism or any lack of confidence in the bureau or department, but more in harmony with the idea of inspiring confidence in the Government and satisfaction with the results obtained.

Mr. REED of Pennsylvania. I agree with the Senator that the trust which our people have in the judicial department of the Government gives them confidence as to any matter on which that department has passed; our people have faith in the courts; but it would be possible to carry that suggestion to the extreme of saying that every income-tax return and every income-tax assessment should be supervised by a Federal judge. That would add confidence, and it could be supported by the same argument as could the contention that refunds should be submitted to a judge for revision.

But, after all, Mr. President, we draw from the same reservoir of human beings our administrative officials and our judges; and we ought, if we make the position of sufficient dignity, to be able to get as honest men and as able men in the administrative department as we get in the judicial department.

Mr. BRATTON. I believe the Senator, out of his ripe experience as a practitioner, will agree with me that the people of the country have peculiar confidence in the judiciary. I think the bulwark of our safety lies in their continued trust and confidence in the judiciary.

Mr. REED of Pennsylvania. I agree with the Senator.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Pennsylvania yield to the Senator from Tennessee?

Mr. REED of Pennsylvania. I do.

Mr. McKELLAR. Under the peculiar situation surrounding this problem, there may be something in what the Senator has to say. I have prepared an amendment which will carry out the view that he has expressed, and I hope he will accept it, and will urge the committee to accept it:

Provided, That no part of the funds herein appropriated for tax refunds shall be paid out except upon hearings before any committee or officer conducting the same, which hearings shall be open to the public and the decision shall be public.

That conforms entirely to everything the Senator has said and everything that has been said here to-day, and takes away the entire argument of the Senator about the overburdened Board of Tax Appeals. If the Senator will accept that amendment, I will modify my amendment so as to read as I have just submitted.

Mr. HEFLIN. I hope the Senator will accept it, Mr. President.

Mr. REED of Pennsylvania. It is not for me to accept it. The Senator has the right to perfect his amendment in any way he pleases.

Mr. McKELLAR. Yes; but inasmuch as the amendment is in exact accord with the position that the Senator has just taken, I am quite sure that if the Senator would recommend it to the chairman of the committee we could get a unanimous-consent agreement to put it in the bill right away.

Mr. REED of Pennsylvania. Mr. President, the amendment now offered by the Senator effectually complies with all that I have heretofore said with regard to the unwisdom of throwing this matter into the judicial department; but it does not meet the objections that I have to unnecessary publicity of the private affairs of the citizen.

Mr. McKELLAR. But the Senator surely will agree that if a taxpayer thinks he has been done an injustice by the Government, and seeks to have that injustice remedied, the taxpayer ought to be willing to lift the veil of secrecy from that transaction. He ought to be delighted to lift the veil of secrecy from the transaction, so that it can be understood by everybody and by the Government, and the Government can repay the money.

Mr. REED of Pennsylvania. Mr. President, what I have to say will be very much abbreviated by the action of the Senator in modifying his proposal.

I desire to say just a word about the modified proposal which the Senator now offers.

A great many of these refunds arise not out of any mistake, not out of any dishonesty or attempted fraud on the part of the taxpayer, and not on account of any fault of the bureau itself. Let me give an illustration.

The successive tax laws passed since 1921 have made especially favorable treatment for insurance companies, allowing them to deduct from their income 4 per cent to be applied on account of reserve against their policies, and the companies being taxed only on the balance over that 4 per cent. Controversy arose as to whether their tax-exempt interest ought to be credited against that 4 per cent or not. The Supreme Court, after long litigation, held that the tax-exempt interest ought not to be. The bureau was trying to get the most money that could be yielded under any reasonable interpretation of that clause. That single decision of the United States Supreme Court compelled refunds of $35,000,000.

Again, the bureau during the war years took the position that a stock dividend was taxable income. It was strenuously argued that that was wrong, but there was a doubt about it; and the bureau did exactly right in resolving that doubt in favor of the Government until there should be a judicial decision. That was finally decided by the Supreme Court, and that decision cost the United States $70,000,000.

Suppose that I had been one of the taxpayers interested in that stock-dividend decision. Suppose I had been assessed on a stock dividend. I was not, as a matter of fact, but I might have been. Any of us might have been. In order to get the benefit of that decision of the United States Supreme Court, why should I be compelled to bare to all my rival lawyers in my home town all the details of my private practice?

Suppose the Reynolds Tobacco Co. had been the beneficiary of that decision. Why should it, at this time of most intense competition between these four great tobacco companies, be compelled to reveal to those other three all the details of its business, while they keep secret all that they are doing, merely because the one company has to come in to get the benefit of a Supreme Court decision where the bureau admits that they are right, and the other companies are not required to do that?

If everything in the Income Tax Unit, every paper that is filed there, is going to be made public, so that each competitor may know all about the others, so that every neighbor may know all the gossip about all his acquaintances; if publicity is to be completely applied, that is one thing; but merely to impose publicity on the unfortunate victim of an admitted overexaction by the bureau certainly is not fair. You punish him doubly then. First, he is mulcted for a tax which admittedly he is entitled to get back; and next, you say that he shall not get it back until he has been subjected to the second indignity of having his affairs bared to all the world.

Mr. CARAWAY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. CARAWAY. This question of publicity of tax refunds differs altogether from publishing a man's tax returns. Everybody makes a tax return, and secrecy conceals that; but if a man believes that he has the right, if he goes into a court, of course it becomes public, if he is permitted to sue.

Now, this is in the nature of a suit in which the taxpayer alleges that the Government has money that belongs to him. By what process of reasoning do we say that he has a right to maintain this action to recover large sums of money and do it in secret when no citizen is privileged to litigate the question of a penny in a court of justice without opening it to the entire public?

Mr. REED of Pennsylvania. I quite agree with the Senator. If there is a controversy it has to be adjudicated, and it ought to be adjudicated publicly.

Mr. CARAWAY. Of course.

Mr. REED of Pennsylvania. But if there is no controversy, he has the same right to settle his——

Mr. CARAWAY. There is no refund unless there is a controversy, because, if you have the money and I demand it of you, that raises a question. It may be a friendly suit; it may be a suit about which there will be no dispute as to the facts, but it is a controversy that some third person settles; and having settled it in my favor or your favor makes no difference. It is a controversy that is settled, and the public has the right to know about it if there should be publicity about litigation of any kind.

There has been a theory always advanced by certain people that controversies ought to be secret; that courts should sit in secret, particularly concerning domestic relations; but the prevailing view is the other way. As long as that is the prevailing view with reference to any other controversy that is settled in any place where a man recovers something, I do not know any sacredness about these controversies about tax refunds.

Mr. REED of Pennsylvania. Mr. President, the Senator is putting several questions to me, and I would rather answer one at a time.

Mr. CARAWAY. I know I am. I have been trying to make an argument in the Senator's time. That is what I was doing.

Mr. REED of Pennsylvania. I agree with the Senator that every controversy ought to be litigated in the open; that if there is disagreement between the bureau and the taxpayer, whether that disagreement goes to the Board of Tax Appeals or to the Federal district court or to the Court of Claims, the record ought to be open.

Mr. CARAWAY. Well, why? Why?

Mr. REED of Pennsylvania. That is the Anglo-Saxon custom.

Mr. CARAWAY. The very fact, then, that it is the Anglo-Saxon custom ought all the more to cause that custom to prevail where the suit is a friendly suit, because the public has no protection against an unjust refund except publicity. If there is any reason at all for the publicity of a controverted question, all the more reason exists if there is not any controversy, but the man is to get the benefit of a refund.

Mr. REED of Pennsylvania. Then the same argument should apply to the original return and the original assessment.

Mr. CARAWAY. I voted for that at one time under that very theory. I yielded my better judgment because so many people contended that trade secrets and incomes and the ability of a man to finance his enterprises were disclosed and unfair advantages had. I yielded, I say, to that argument, and voted for the repeal of the publicity law; but I think there is a world of difference between a tax return and a request for refund after he has made his return and paid his taxes. He is like anybody else then. He has a demand against the Government. Having a demand against the Government, every citizen in America has an interest in that controversy.

But beyond all that, I think the Senator from New Mexico [Mr. BRATTON] put his hand on the sore spot. I am going to assume that the men in public office dealing with these tax refunds are honest men; that the Commissioner of Internal Revenue is honest; that the Secretary of the Treasury is honest. They need the protection of being able to disclose what they do against the sly insinuations and suspicions of people who do not agree with them. This proposed change is for their protection as much as it is for the protection of the taxpayer himself.

Mr. REED of Pennsylvania. Mr. President, a good deal has been said about the danger to the interests of the Government in these tax refunds and tax credits. May I suggest that that danger is comparatively small as compared with the danger of inadequate returns of taxation accepted without controversy by the auditing officials; that we can not apply to this matter of refunds any rule of publicity that should not logically be applied to the original return and the audit that is made of it.

Mr. CARAWAY. I recognize the force of that argument; but that argument failed in view of the other contention that more harm came than good. It was a compromise with anybody as to whether they should vote for complete publicity, or vote for partial publicity, or vote for complete secrecy. I can not conceive of the department not being delighted to make public these refunds, because its attitude is wholly different from that of receiving a man's assessment and passing it because it rested to a certain extent upon the honor of the man who made it. It does not rest upon the department's honor, but these refunds are wholly shifted; they rest upon the honor and integrity of the department.

Mr. REED of Pennsylvania. Yes, Mr. President; that is true. I think the Senator from Arkansas was not here; we tried to cover this before the Senator came in. If I seemed to be impatient, I hope he will indulge me.

Mr. CARAWAY. Certainly. I beg the Senator's pardon.

Mr. REED of Pennsylvania. There is such a large proportion of these refunds which are indisputably due, not to mistake, but due to some subsequent legislation, or to some general decision of the courts, that it seems unfair to penalize the taxpayer who already has paid too much by a second penalty of publicity.

Before the Senator came in, I called attention to the fact that $264,000,000 out of $935,000,000 of refunds that have been made in the past 10 years—$264,000,000 out of $935,000,000, about 28 per cent—were made because of decisions of the Federal courts, other than decisions of the Board of Tax Appeals. One case, which I need not go over again, relating to stock dividends, called for the payment of $70,000,000 to a large group of taxpayers. Another single case required the payment of over $35,000,000 to a considerable number of life-insurance companies. Obviously, it is unfair to single out the few companies which are affected by that decision and compel them to reveal to their competitors the secrets which they themselves can not get from their competitors.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. COUZENS. I wonder why there is objection to having these records made public records in that case, and yet, if the Government resists a claim, there is no hesitancy upon the taxpayer's part in going before a tribunal and exposing all his returns.

Mr. REED of Pennsylvania. I grant you that.

Mr. COUZENS. If the Government resists, what is the difference?

Mr. REED of Pennsylvania. It is just like a controversy between any two individuals. If we are in a controversy, to be settled judicially, we have to take it into open court, where all the world can hear. Moses sits at the gate and not inside some closed room. That is the penalty we pay for seeking a judicial decision of a controversy. But if we are agreed on a settlement we can make that settlement in the middle of the desert, and no man has a right to know how we do it.

Mr. COUZENS. Will the Senator yield for another question?

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. COUZENS. Does not the Senator see the difference between the kind of a settlement between individuals, in which there is no public interest, and a settlement between a governmental bureau and a citizen, in which there is a public interest?

Mr. REED of Pennsylvania. Of course I do.

Mr. COUZENS. But the Senator ignores it.

Mr. REED of Pennsylvania. And I agree that the action of those governmental officials should be subject to the most intense scrutiny and criticism and check by any agency that the legislature reasonably may choose to act as auditor. But it does no good to anything but the lowest form of curiosity to blazon out the private affairs of individuals before the whole country.

Mr. BRATTON and Mr. McKELLAR addressed the Chair.

Mr. REED of Pennsylvania. Just a minute. I know all the arguments which have been advanced in favor of pitiless publicity, and they are plausible always, but it is an Anglo-Saxon proverb that a man's house is his castle, and that there are certain affairs of his that are his business.

Mr. COUZENS. Is it true that under the prohibition law his house is his castle?

Mr. REED of Pennsylvania. It ought to be.

Mr. COUZENS. Is it?

Mr. REED of Pennsylvania. I never had occasion to test it.

Mr. BRATTON. Mr. President, will the Senator permit me to direct one question to him?

Mr. REED of Pennsylvania. Certainly.

Mr. BRATTON. Let us assume that two business men have claims against the Government, each for a refund of $12,000. They submit their respective claims. The bureau agrees to the refund in one case and denies it in the other. Does the Senator think that the man whose claim has been denied occupies any different or less considerate position on the score of publicity from the man whose claim has been allowed?

Mr. REED of Pennsylvania. Not in the least.

Mr. BRATTON. If it violates the right of privacy in one instance, why does it fail to do so in the other? They seem to be on a parity so far as the right of privacy extends.

Mr. REED of Pennsylvania. It is violating the right to privacy, and that is something which one must suffer when he appeals to the courts for the adjudication of a controversy. Just because you bar the intimate domestic details of the life of John Smith in his divorce case is no reason why you should bare the details of anybody else's life who is not in the divorce court.

Mr. BRATTON. The difference is that in these matters of taxation you deal with the public, while in domestic affairs between two spouses you are dealing exclusively with private affairs.

Mr. REED of Pennsylvania. Each of them involves private rights and public rights as well.

Mr. CARAWAY. If they should get a divorce by friendly agreement, they would still get publicity, would they not?

Mr. REED of Pennsylvania. They should; yes.

Mr. CARAWAY. They would; so that is not quite a happy suggestion.

Mr. REED of Pennsylvania. The illustration could not be carried all the way through.

Mr. CARAWAY. No; it will not fit all the way down. I want to ask the Senator another question as to his statement that two individuals may settle their controversy in the desert, and it does not concern Moses, whether it be the Senator or somebody else. The unfortunate thing is that that is not two people dealing with their own affairs. One is an agent, dealing with the property of somebody else. Whether you call him a court or a bureau, whatever he is, he is dealing with a third person's property. He is settling a contention between two people. It is not a private controversy between him and somebody else, and they are not dealing with private affairs at all; they are dealing with public affairs.

Mr. REED of Pennsylvania. The Senator looks at it differently from the way I look at it. I think some cases of tax assessments involve controversies, and some do not.

In conclusion, Mr. President, I want just to remind the Senate whose is the fault that cases like the R. J. Reynolds case and others of that class have arisen. Will the Senate bear with me while I read a couple of sentences out of the old excess-profits tax law, which furnished the warrant for the action taken in the Reynolds case? Fortunately, this law has been repealed and no longer remains to disgrace our statute books. I ask the Senate to consider the responsibility we have laid upon the shoulders of the Commissioner of Internal Revenue and the vagueness with which we have defined that responsibility. This is what we say:

> Where upon application by the corporation the commissioner finds and so declares of record that the tax if determined without benefit of this section would, owing to abnormal conditions affecting the capital or income of the corporation, work upon the corporation an exceptional hardship evidenced by gross disproportion between the tax exempted without benefit of this section and the tax computed by reference to the representative operations specified in section 328.

The commissioner then may make a special assessment. This is in ascertaining the amount of the capital on which the corporation shall be permitted to earn about 8 per cent before incurring a special additional tax. If the commissioner, having nothing but his common sense and his faith in Heaven to guide him, finds "abnormal conditions," and "exceptional hardship," and "gross disproportion," whatever those three vague things may mean, then this is the rule that he is to try to apply, and this is the thing that I say sounds as if it came out of Alice in Wonderland and not out of an act of Congress:

> In the cases specified in section 327 the tax shall be the amount which bears the same ratio to the net income of the taxpayer (in excess of the specific exemption of $3,000) for the taxable year, as the average tax of representative corporations engaged in a like or similar trade or business bears to their average net income (in excess of the specific exemption of $3,000) for such year. * * *
>
> In computing the tax under this section the commissioner shall compare the taxpayer only with representative corporations whose invested capital can be satisfactorily determined under section 326 and which are, as nearly as may be, similarly circumstanced with respect to gross income, net income, profits per unit of business transacted, and capital employed, the amount and rate of to war profits or excess profits, and all other relevant facts and circumstances.

In other words, if the commissioner is unable to apply a rule which, for indefiniteness, is almost without parallel, then he shall have resort to this other rule, which says that the rate of taxation shall be the average paid by a lot of other corporations which he, in his discretion, must pick out to be representative comparative instances. Did anyone ever hear of a tax based upon the accumulation of so many uncertainties as in this case? Is it any wonder that the business men of America said that that would work havoc to every industry in the United States if it were continued longer on the statute books?

Imagine a coal company trying to calculate in its return what its tax should be. How could it know in advance, how could it provide against the possible decision of the Commissioner of Internal Revenue on so many items that were completely uncertain?

Mr. COUZENS. Mr. President, first, the taxpayer in making his return does not have to make it based on any such language as that.

Mr. REED of Pennsylvania. I quite understand that.

Mr. COUZENS. But the impression goes out that the taxpayer, if he makes his return, has to reach all of the conclusions the Senator read in the law just now. He has nothing to do with that. He makes his return, and then afterwards——

Mr. REED of Pennsylvania. How does he state his invested capital?

Mr. COUZENS. He states it, I assume, on the basis of his books, and then after making his return he may appeal to the commissioner to assess him under the special section of the law in which all these difficulties arise.

Mr. SACKETT. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. SACKETT. If he does make an appeal to the commissioner, then does he not have to stand on that appeal and give up his return entirely, and take whatever comes out of the comparison with those other corporations? It has been so ruled, as I understand it. If he does appeal, he has nothing to go on but that law.

Mr. REED of Pennsylvania. That is true.

Mr. SACKETT. The commissioner may choose anyone. There may be 50 corporations to compare with, and he may choose any three or four, and make comparison with those.

Mr. REED of Pennsylvania. Absolutely.

Mr. COUZENS. I would like to ask the Senator from Pennsylvania if he construes the law as giving the commissioner the right to select one corporation?

Mr. REED of Pennsylvania. I have never considered that legal question, but I do know that the legal department of the Bureau of Internal Revenue has held that it does give him the right to select one comparative and does not force him to take the average of two or more. Whether that is sound or unsound I do not know.

Mr. GLASS. But we do know that the word "corporations" means more than one corporation. It is the plural.

Mr. REED of Pennsylvania. And we do know that the plural is more than the singular.

Mr. GLASS. And that a comparison with one corporation is not a comparison with more than the singular.

Mr. REED of Pennsylvania. We also may know that if there is only one corporation that fills the definition of the act of 1919, then the commissioner can not select two comparatives, but in order to comply with the act has to take one.

Mr. GLASS. But it does not happen, in the case we have been discussing, that there was only one. There were a great many.

Mr. REED of Pennsylvania. In the Reynolds Tobacco case, I believe, there were several that might have been taken. If they had been taken, the tax would have been less than that finally settled, and the refund would have been greater.

Mr. GLASS. Suppose it had been? If it ought to have been so, that is all right. The fact that the tax refund would have been greater makes it that much more desirable that the commissioner should have adhered to the law. If the taxpayer was entitled to a greater refund, he ought to have had it.

Mr. REED of Pennsylvania. Of course, I agree with the Senator in that statement; but the commissioner is not a lawyer. He has his legal department, and he submits the question to his legal department and is told that this is in obedience to law.

Mr. GLASS. I would not employ a lawyer who would tell me that "corporations" means a corporation.

Mr. REED of Pennsylvania. I do not know all the grounds that led him to that conclusion. Perhaps the question was not as simple as that when it was presented to him.

Mr. GLASS. The Senator from Kansas [Mr. CURTIS] suggests that I would never need to employ a lawyer anyhow. I accept the compliment.

Mr. REED of Pennsylvania. What I am trying to argue is that most of the cases which have aroused great interest here and which would seem to present cases of marked hardship are cases that arise, like the Tobacco case, from the old excess-profits tax law which has been repealed. It is a shocking thing that 1919 taxes should only now in 1929 begin to be definitely ascertained. Any taxpayer, whether he gets more tax to pay or a refund coming to him, has just complaint against such a system. We ought to get them cleaned up as fast as we can.

But what I want to call to the attention of the Senate is this—and I am sorry the senior Senator from Arkansas [Mr. ROBINSON] is not here so that I might now answer the question which I wanted to answer when he asked it this morning. The law does need simplification when it presents such paradoxes as this. The law needs simplification terribly when 1917 taxes can not be adjudicated until 1929. But we have already gone far on the path toward simplification.

We have improved the law very markedly in the four tax acts of 1921, 1924, 1926, and 1928, since that terrible excess profits tax law was adopted. Each of those four acts has simplified the law. We have tried to correct the greatest injustices by retroactive provisions, and by so doing we have let the Treasury Department in for refunds which are included in the total that is criticized here. That is our fault—our fault for enacting the law vaguely to begin with, and our fault for correcting it retroactively and thereby forcing refunds. We can not blame that on either the taxpayer or the tax gatherer. It is our fault.

So, Mr. President, the so-called scandal of the refunds is well on the way to disappearing. As the tax law becomes simpler, men will know more accurately what their tax liability is. Refunds and overassessments will cease to be the things of importance that they have been under a law which was as vague as the one under discussion.

Mr. NORRIS. Mr. President, as bearing in part on the question involved here, and that is the secrecy of doing public business, I would like to ask a question. Before I ask the

question I would like to say that it does not conclusively follow, of course, because we are doing public business behind closed doors, that there is any fraud in it; but, as I have tried to point out, a continuance of doing public business in secret will always lead toward fraud and debauchery, as it always has. It is the natural tendency. No one has tried to cast any reflection upon any official in this matter and nobody has claimed that any of the refunds ought not to have been made. No one can tell. The objection is that there is no way to find out how it was done and why it was done.

Now I want to ask a question of any Member of the Senate who was a member of the so-called Couzens committee making the investigation of the Bureau of Internal Revenue two or three years ago. It seems to me I remember that something of this kind occurred or was discovered, and it is only an incident as tending to show what the secret method of doing business will lead to. I see the chairman of the committee [Mr. COUZENS] honoring me with his presence, so I particularly want to ask him the question, Is it true that in the cases investigated by that committee instances were found where notations were made by somebody on the papers to the effect that the case was one in which Mr. Mellon was interested? Were there any such disclosures?

Mr. COUZENS. The testimony was taken some years ago, but, as I recall it, we came across one case in which there was a blue pencil memorandum, "This is a Mellon company," or something of the sort. I have forgotten the exact language, but it was something to that effect. It is in the record, but I do not have the record here. It was brought out in the early days of the investigation.

Mr. REED of Pennsylvania. There was nothing to indicate that Mr. Mellon had directed it to be done?

Mr. COUZENS. Oh, no; not at all; nothing of the kind.

Mr. NORRIS. I would not think of that, but that is what I want to speak about right now.

Mr. COUZENS. Notwithstanding that only one case was brought out that I recall, and no evidence whatsoever that Mr. Mellon requested it under any circumstances, I am informed by men who have worked in the bureau that it was the custom to advise the engineers and experts that "Mr. Mellon is interested in this particular company." That is all it amounted to. The memorandum would go through the department giving notice to the staff that Mr. Mellon was interested in a particular company. I do not say that it necessarily meant he was interested financially, but merely that he was interested in it.

Mr. NORRIS. That bears out my conception of the evil. Without making any charge against Mr. Mellon, whether he is instrumental in it or whether he is not, and assuming that he knows nothing about it, he is Secretary of the Treasury and has hundreds of people under him in all the various bureaus who are anxious to curry his favor. It would be so if anyone else were there in his place. It is not because it is Mr. Mellon, but it is one of the evils of secret government. The people working under him in the bureau or in his department would want to be in his favor and they would want to give him the best of any dispute that might arise under the law. It seems to me that very fact alone is a practical demonstration of the evils of this secret method of handling hundreds of millions, yes, billions of dollars belonging to the people or at least wrung from the people by taxation.

We can not escape it. It is only another demonstration of human nature and of something that is perfectly natural. There will be hundreds of people in the various bureaus and departments and boards under the head of any great institution of that kind who, if the business is done in secret, will take the opportunity to help men who are above them. Not all of them would do it. I am not making the charge of wholesale wrongdoing against anybody. I am only speaking of what every man must know in his own mind and in his own heart is perfectly natural in any business administered or carried on by human beings. It is one of the evils of secret government. It is one of the things that leads inevitably to corruption even when the beneficiaries themselves have no knowledge of it. It seems to me that we ought not to overlook any opportunity to have the business of the people transacted in the open before the entire world.

Mr. SMITH. Mr. President, before the Senator from Nebraska takes his seat may I say that I have been very much interested in the discussion participated in by those who are members of the Appropriations Committee. Just what are the arguments and what are the reasons that led to the establishment of this secret performance in reference to the settling of tax claims? There must have been some very weighty reason that I have not heard of at any time.

Mr. NORRIS. The Senator has heard the debate that has occurred whenever a revenue bill has been brought before the Senate and we have discussed the publicity of income-tax returns.

Mr. SMITH. Yes; I understand that the law requires secrecy, but I never have been fully satisfied of the necessity for a law requiring it unless there has been some reason for it that has escaped my notice. It must have been a very weighty reason to cause us to say that we must in secret, as has been developed here, settle so important a thing as the revenue of the Government from this very prolific source. I would like to know if there are any compelling reasons why the secrecy should be still further maintained. It is incorporated in the law. Is it likely to do injustice to some one by exposing his financial standing or his business in such a way as to lead to some misfortune to him?

Mr. GLASS. The Senator from Pennsylvania [Mr. REED] has been making that argument for the last three-quarters of an hour.

Mr. SMITH. I happened not to be able to be in the Chamber. I wish I had been here. I do not know whether there may have been some very potent reason that could have influenced us to incorporate in the law a condition that brings about results that would be more disastrous, it seems to me, to the income of the Government and to the morals of the people than to have the whole thing in the open. Unless there is some reason against it that is insurmountable, I shall vote for an open investigation, because I do not believe that it is advisable where such enormous sums are involved to depend upon those who can not be brought to book for the settlement of the cases. I do not think we have any right to delegate to any body of men the right to settle claims involving such tremendous amounts unless the public may be thoroughly advised as to the method, the amount, and the conditions surrounding the settlement.

Mr. HEFLIN. Mr. President, I trust that the amendment of the Senator from Tennessee, as modified, will be agreed to. If it shall be, we can end this controversy, I think, now; but if it shall not be, I think we ought to have a quorum and continue to discuss the amendment until to-morrow, if necessary, so that Senators may be sufficiently informed about this question to vote on it intelligently. A number of the Senators have not heard any of the discussion, though the question involved is one of great importance to the whole people of this Nation.

I do not see how any Senator can contend for a moment that proceedings affecting tax refunds should be in secret. They ought to be open, so that the people may know to whom the refunds are being made and the amounts that are being refunded.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HEFLIN. I yield.

Mr. McKELLAR. Mr. President, I ask unanimous consent to be permitted to modify my amendment by adding, on page 16 of the bill——

The PRESIDING OFFICER. Does the Senator from Tennessee mean to withdraw his motion to suspend the rules?

Mr. McKELLAR. I am asking unanimous consent that I may substitute for the amendment as proposed by me the following: After the word "each," in line 15, on page 16, I move to insert the following proviso:

Provided, That no part of the funds herein appropriated for tax refunds where the claim is in excess of $10,000 shall be paid out except upon hearings before any committee or officer in the department conducting the same, which hearings shall be open to the public, and the decision shall be a public document.

As I understand, there will be no exception to the amendment as I have now modified it.

Mr. WARREN. Mr. President, may I ask the Senator if he will not fix the amount at $25,000 instead of $10,000?

Mr. McKELLAR. I have conferred with several Senators on the same side that I am, and they thought it unwise to change the amount. I hope the Senator will permit the figures to remain as I have proposed them.

Mr. WARREN. I think the Senator from Tennessee knows the difficulty with which we will be confronted in conference.

Mr. McKELLAR. For that reason I believe it would be better to leave the figures as they are at $10,000.

Mr. HEFLIN. I think they ought to be left at $10,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee as modified.

Mr. COUZENS. Will the Senator from Tennessee accept the suggestion that the amendment be further modified so as to exclude rebates and refunds made on the basis of court decisions?

Mr. McKELLAR. I will say to the Senator that the refunds of judgments of courts are paid in a different way. They are not paid through the Internal Revenue Bureau at all, but are paid by appropriations recommended by the Appropriations Committee.

Mr. COUZENS. Oh, yes; but the Senator did not understand my point.

Mr. McKELLAR. Perhaps not.

Mr. COUZENS. The point is that when a court construes a statute in its application to an income-tax case that construction is extended to other taxpayers regardless of whether they have themselves appeared before the court. So such refunds would come under this head.

Mr. REED of Pennsylvania. Mr. President, if the Senator will permit me the interruption, even the judgments of courts are paid out of this same title in the appropriation bill.

Mr. CURTIS. Mr. President, I think perhaps if we adopted this amendment and sent it to conference that the conferees might agree to a provision to take care of cases arising under court decisions. I think that would be the easiest way out.

Mr. COUZENS. I have no objection to that, but my experience has been that when the conferees are not in sympathy with a decision of the Senate they do not put up much of a fight to maintain the Senate amendment.

Mr. McKELLAR. I am sure the conferees will do so upon an amendment like this.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the question is on the amendment offered by the Senator from Tennessee as modified.

Without objection, the motion to suspend the rules is withdrawn and the amendment is agreed to.

Mr. McKELLAR. Mr. President, I have one further amendment which I desire to call to the attention of the chairman of the committee. Several days ago I gave notice of an amendment. I ask to modify that amendment by submitting the one to which I call the attention of the chairman of the committee.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 17, after line 15, it is proposed to insert:

OFFICE OF THE TREASURER OF THE UNITED STATES

The Secretary of the Treasury is authorized and directed to pay to H. Theodore Tate salary as Treasurer of the United States at the rate of $8,000 per annum from June 1, 1928, to January 17, 1929, both dates inclusive, from appropriations heretofore provided for salaries of the office of the Treasurer of the United States, fiscal years 1928 and 1929, the provisions of section 1761 of the Revised Statutes to the contrary notwithstanding.

Mr. WARREN. That amendment provides for paying the officer referred to the amount provided by the statute?

Mr. McKELLAR. Yes; it authorizes the Secretary of the Treasury to pay the amount. The amendment in its present form is different from the one which I first offered and is in lieu of it.

Mr. WARREN. The Senator is advised that no portion of the amount has been paid?

Mr. McKELLAR. None has been paid; and the amendment was prepared by the department.

Mr. WARREN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, in fairness to Assistant Secretary Bond I think I should put in the RECORD a letter I have just received from him in regard to jeopardy assessments. He has sent a letter here giving them by years. The total amount is $665,000,000, in round figures. I ask that his letter may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

TREASURY DEPARTMENT,
Washington, January 23, 1929.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR: In accordance with your telephoned request I have secured the following data giving the total amount of so-called jeopardy assessments for the fiscal years ending June 30, 1923, to June 30, 1928:

Fiscal year:	
1923	$132, 525, 380. 55
1924	161, 515, 217. 33
1925	144, 646, 530. 53
1926	148, 867, 165. 26
1927	32, 704, 156. 33
1928	45, 685, 725. 80
Total	665, 944, 175. 80

Trusting that these are the figures that you desired, and that if I can be of any further service to you you will call upon me, I am

Respectfully yours,

HENRY HERRICK BOND,
Assistant Secretary.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole and open to amendment.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTIONS

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolutions:

S. 1156. An act granting a pension to Lois I. Marshall;

S. J. Res. 59. Joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920, as per a certain contract authorized by the President;

S. J. Res. 142. Joint resolution authorizing the erection of a Federal reserve bank building in the city of Los Angeles, Calif.; and

S. J. Res. 180. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President elect in March, 1929, and for other purposes.

COMPACT BETWEEN NEW MEXICO AND OKLAHOMA

Mr. PHIPPS. Mr. President, I ask unanimous consent to report from the Committee on Irrigation and Reclamation several small bills. First, from that committee I report back favorably, without amendment, the bill (H. R. 6496) granting the consent of Congress to compacts or agreements between the States of New Mexico and Oklahoma with respect to the division and apportionment of the waters of the Cimarron River and all other streams in which such States are jointly interested, and I submit a report (No. 1494) thereon. I call the attention of the Senator from New Mexico [Mr. BRATTON] to the bill. It merely authorizes the States of New Mexico and Oklahoma to enter into a compact for a division of the waters of the streams in those States.

Mr. BRATTON. Mr. President, I ask unanimous consent for the immediate consideration of the bill just reported by the Senator from Colorado.

Mr. HALE. Mr. President, I inquire of the Senator if the consideration of the bill will involve any debate?

Mr. PHIPPS. I do not think it will. It is a House bill, and there is no objection to it, so far as I know.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the States of New Mexico and Oklahoma to negotiate and enter into compacts or agreements providing for an equitable division and apportionment between such States of the water supply of the Cimarron River and of the streams tributary thereto and of all other streams in which such States are jointly interested.

SEC. 2. Such consent is given upon condition that a representative of the United States from the Department of the Interior, to be appointed by the President, shall participate in the negotiations and shall make report to Congress of the proceedings and of any compact or agreement entered into. Other than the compensation and expenses of such representative the United States shall not be liable for any expenses in connection with such negotiations, compact, or agreement. The payment of such expenses of such representative are authorized to be paid from the appropriations for cooperative and general investigations for the Bureau of Reclamation.

SEC. 3. No such compact or agreement shall be binding or obligatory upon either of such States unless and until it has been approved by the legislature of each of such States and by the Congress of the United States.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COMPACT BETWEEN NEW MEXICO AND OKLAHOMA AND TEXAS

Mr. PHIPPS. From the Committee on Irrigation and Reclamation I report back favorably without amendment the bill (H. R. 6497) granting the consent of Congress to compacts or agreements between the States of New Mexico, Oklahoma, and Texas with respect to the division and apportionment of

the waters of the Rio Grande, Pecos, and Canadian or Red Rivers, and all other streams in which such States are jointly interested, and I submit a report (No. 1495) thereon.

Mr. BRATTON. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the States of New Mexico, Oklahoma, and Texas to negotiate and enter into compacts or agreements providing for an equitable division and apportionment between such States of the water supply of the Rio Grande, Pecos, and Canadian or Red Rivers, and of the streams tributary thereto, and of all other streams in which such States are jointly interested.

SEC. 2. Such consent is given upon condition that a representative of the United States from the Department of the Interior, to be appointed by the President, shall participate in the negotiations and shall make report to Congress of the proceedings and of any compact or agreement entered into. Other than the compensation and expenses of such representative the United States shall not be liable for any expenses in connection with such negotiations, compact, or agreement. The payment of such expenses of such representative are authorized to be paid from the appropriations for cooperative and general investigations for the Bureau of Reclamation.

SEC. 3. No such compact or agreement shall be binding or obligatory upon either of such States unless and until it has been approved by the legislature of each of such States and by the Congress of the United States.

SEC. 4. The right to alter, amend, or repeal this act is herewith expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COMPACT BETWEEN NEW MEXICO AND ARIZONA

Mr. PHIPPS. From the Committee on Irrigation and Reclamation, I report back favorably without amendment the bill (H. R. 6499) granting the consent of Congress to compacts or agreements between the States of New Mexico and Arizona with respect to the division and apportionment of the waters of the Gila and San Francisco Rivers and all other streams in which such States are jointly interested, and I submit a report (No. 1496) thereon.

Mr. BRATTON. I ask unanimous consent for the consideration of the bill just reported by the Senator from Colorado.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the States of New Mexico and Arizona to negotiate and enter into compacts or agreements providing for an equitable division and apportionment between such States of the water supply of the Gila and San Francisco Rivers and of the streams tributary thereto and of all other streams in which such States are jointly interested.

SEC. 2. Such consent is given upon condition that a representative of the United States from the Department of the Interior, to be appointed by the President, shall participate in the negotiations and shall make report to Congress of the proceedings and of any compact or agreement entered into. Other than the compensation and expenses of such representative the United States shall not be liable for any expenses in connection with such negotiations, compact, or agreement. The payment of such expenses of such representative are authorized to be paid from the appropriations for cooperative and general investigations for the Bureau of Reclamation.

SEC. 3. No such compact or agreement shall be binding or obligatory upon either of such States unless and until it has been approved by the legislature of each of such States and by the Congress of the United States.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COMPACT BETWEEN COLORADO AND NEW MEXICO

Mr. PHIPPS. From the Committee on Irrigation and Reclamation, I report back favorably without amendment the bill (H. R. 7024) granting the consent of Congress to compacts or agreements between the States of Colorado and New Mexico with respect to the division and apportionment of the waters of the Rio Grande, San Juan, and Las Animas Rivers, and all other streams in which such States are jointly interested, and I submit a report (No. 1497) thereon.

Mr. BRATTON. I ask unanimous consent for the present consideration of that bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. SHORTRIDGE. Mr. President, what do these bills provide?

Mr. PHIPPS. The bills which I have reported, and which are now being considered, authorize certain States to enter into agreements for the division of the waters of the streams which flow through them. Commissioners are to be appointed by the States and a representative of the Federal Government is to act in conjunction with them.

Mr. SHORTRIDGE. Is there any provision that the agreement entered into shall be referred to Congress?

Mr. PHIPPS. Such agreements as may be entered into must come back to Congress for approval.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to the consideration of the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the States of Colorado and New Mexico to negotiate and enter into compacts or agreements providing for an equitable division and apportionment between such States of the water supply of the Rio Grande, San Juan, and Las Animas Rivers and of the streams tributary thereto and of all other streams in which such States are jointly interested.

SEC. 2. Such consent is given upon condition that a representative of the United States from the Department of the Interior, to be appointed by the President, shall participate in the negotiations and shall make report to Congress of the proceedings and of any compact or agreement entered into. Other than the compensation and expenses of such representative the United States shall not be liable for any expenses in connection with such negotiations, compact, or agreement. The payment of such expenses of such representative are authorized to be paid from the appropriations for cooperative and general investigations for the Bureau of Reclamation.

SEC. 3. No such compact or agreement shall be binding or obligatory upon either of such States unless and until it has been approved by the legislature of each of such States and by the Congress of the United States.

SEC. 4. The right to alter, amend, or repeal this act is herewith expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

COMPACT BETWEEN COLORADO, OKLAHOMA, AND KANSAS

Mr. PHIPPS. From the Committee on Irrigation and Reclamation I report back favorably without amendment the bill (H. R. 7025) granting the consent of Congress to compacts or agreements between the States of Colorado, Oklahoma, and Kansas with respect to the division and apportionment of the waters of the Arkansas River and all other streams in which such States are jointly interested, and I submit a report (No. 1498) thereon.

I ask unanimous consent that the bill may be considered at this time.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the States of Colorado, Oklahoma, and Kansas to negotiate and enter into compacts or agreements providing for an equitable division and apportionment between such States of the water supply of the Arkansas River and of the streams tributary thereto and of all other streams in which such States are jointly interested.

SEC. 2. Such consent is given upon condition that a representative of the United States from the Department of the Interior, to be appointed by the President, shall participate in the negotiations and shall make report to Congress of the proceedings and of any compact or agreement entered into. Other than the compensation and expenses of such representative the United States shall not be liable for any expenses in connection with such negotiations, compact, or agreement. The payment of such expenses of such representative is authorized to be paid from the appropriations for cooperative and general investigations for the Bureau of Reclamation.

SEC. 3. No such compact or agreement shall be binding or obligatory upon either of such States unless and until it has been approved by the legislature of each of such States and by the Congress of the United States.

SEC. 4. The right to alter, amend, or repeal this act is herewith expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF CRUISERS

Mr. HALE. I ask that the unfinished business may be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 11526) to authorize the construction of certain naval vessels, and for other purposes.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Thursday, January 24, 1929, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 23 (legislative day of January 17), 1929

UNITED STATES COAST GUARD

Ensign (Temporary) Gordon P. McGowan to be a lieutenant (junior grade) (temporary) in the Coast Guard of the United States, to take effect from date of oath.

UNITED STATES DISTRICT JUDGE

Halsted L. Ritter, of Florida, to be United States district judge, southern district of Florida, vice Rhydon M. Call, deceased.

UNITED STATES ATTORNEY

Howard D. Stabler, of Alaska, to be United States attorney, district of Alaska, division No. 1, vice Justin W. Harding, appointed judge.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 23 (legislative day of January 17), 1929

UNDERSECRETARY OF STATE

State Department

J. Reuben Clark, jr.

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

William S. Culbertson to be ambassador extraordinary and plenipotentiary to Chile.

ENVOYS EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

H. F. Arthur Schoenfeld to be envoy extraordinary and minister plenipotentiary to Bulgaria.

Jefferson Caffery to be envoy extraordinary and minister plenipotentiary to Colombia.

Charles S. Wilson to be envoy extraordinary and minister plenipotentiary to Rumania.

Warren D. Robbins to be envoy extraordinary and minister plenipotentiary to Salvador.

To be consul generals

Thomas H. Bevan.
Felix Cole.
John K. Davis.
George K. Donald.
Paul Knabenshue.
North Winship.

To be vice consuls of career

Norris B. Chipman.
Gaston A. Cournoyer.
Cecil Wayne Gray.
Raymond A. Hare.
Robert O'D. Hinckley.
Frederick P. Latimer, jr.
Edward S. Maney.
Ralph Miller.
Sheldon T. Mills.
James B. Pilcher.
Horace H. Smith.
L. Rutherford Stuyvesant.
Mannix Walker.
Warren H. Kelchner.
R. Borden Reams.
Warren M. Chase.
Llewellyn E. Thompson, jr.
Robert English.
H. Merrell Benninghoff.

To be secretaries, Diplomatic Service

LaVerne Baldwin.
John B. Faust.
Edward P. Lowry.
James L. Park.
Clarence J. Spiker.

POSTMASTERS

ARIZONA

Charles C. Stemmer, Cottonwood.
Freda B. Irwin, Gilbert.
Raymond W. Still, Tempe.

CALIFORNIA

Charles F. Evers, Fortuna.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 23 (legislative day of January 17), 1929

UNITED STATES DISTRICT JUDGE

Crate D. Bowen, of Florida, to be United States district judge for the southern district of Florida, which was sent to the Senate January 19, 1929, Mr. Bowen having declined to accept the appointment.

HOUSE OF REPRESENTATIVES

WEDNESDAY, *January 23, 1929*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou Eternal One, from whom all blessings flow, Thou art still blessing us, though we can not comprehend just why. These days quiver with duty, which is our watchword. It comes to us in silence, when we are alone, where the crowd is not seen nor heard. Again it is with us when we are in the surging multitudes. O Thou, who are mighty in word and in deed, teach us the right thing to do and the right way to go. Our Blessed Heavenly Father, may our performance of duty be the outstanding quality that shall command respect throughout our beloved land. We pause at the mercy seat a moment. God be with the sorrow-stricken colleague. The sweet, calm, supplicating voice is still; the door is shut. Help us to believe that there never was a cloud so black but it carries with it, somewhere, a brightness, hidden only because we are not on the other side. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 15472. An act to authorize the Secretary of War to lend War Department equipment for use at the Eleventh National Convention of the American Legion.

The message also announced that the Senate had agreed to amendments of the House to a bill and joint resolutions of the following titles:

S. 1156. An act granting a pension to Lois I. Marshall.

S. J. Res. 59. A joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920, as per a certain contract authorized by the President.

S. J. Res. 142. Joint resolution authorizing the erection of a Federal reserve bank building in the city of Los Angeles, Calif.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1320. An act for the relief of James W. Pringle.

H. R. 4920. An act authorizing the Secretary of War to award a Nicaraguan campaign badge to Capt. James P. Williams in recognition of his services to the United States in the Nicaraguan campaign of 1912 and 1913.

H. R. 15569. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1930, and for other purposes.

INAUGURAL CEREMONIES

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, I did not happen to be on the floor yesterday when the resolution relative to the inaugural proceedings was passed. I notice the gentleman from Tennessee [Mr. GARRETT] made an inquiry relative to the parade. I want to say to the House that the Committee on the Inaugural Ceremonies of the Senate and House have made a definite request to have the parade pass across the plaza in front of the Capitol, and we have been assured by Colonel Grant and the gentlemen in command that such will be the case; that the parade will pass across the plaza.

In answer to several requests for information in regard to tickets, I will say that it is expected that we will build a grand stand out here of practically the same size as that of four years ago, to hold in the neighborhood of 8,000 people. After such distribution of tickets has been made to foreign embassies and representatives of other bodies as is customary on such occasions there will be about seven tickets for each Member, and in addition to that each House Member will have a ticket for himself, which will admit him to the Senate floor, and one ticket that will admit one guest to the Senate gallery. This ticket for the Member is rendered necessary for this reason: Four years ago, as gentlemen will remember, the Members of the House passed over to the Senate, and there was no place for them in the Senate, a great many people being on the Senate floor who had no right to be there. Each person here who is entitled to the privilege of the floor in the Senate at that time will be furnished with a distinctive ticket for that purpose. After the ceremonies in the Senate all the people on the Senate floor and in the Senate galleries will march out together to the central platform on the east side of the Capitol. Each Member of the House, as noted before, is provided with one ticket to the Senate galleries.

Down town, in what is known as the court of honor, on Lafayette Square, opposite the reviewing stand, there will be in the vicinity of 3,000 tickets reserved primarily for Members of the Senate and the House, and Members will have the first opportunity of buying those tickets up to three or four days prior to the inauguration.

Mr. GARNER of Texas. What will be the price?

Mr. SNELL. I do not know yet what the price will be.

I have here the program that was followed four years ago in connection with the ceremonies in the Senate. I do not know but that it would be proper to insert this program in the RECORD for the information of Members of the House. I do not know whether it will be absolutely followed. It is a tentative program.

Mr. GARRETT of Tennessee. Mr. Speaker, let me suggest to the gentleman that although it is likely that that will be the program, yet it might be confusing if changes should be made later. We will have the real program before long, and then that can be put in the RECORD. Otherwise it might prove confusing. However, I have no objection.

Mr. SNELL. I am not sure, of course, that it will be followed absolutely, and perhaps it would be just as well to put in that program a little later.

Mr. GARRETT of Tennessee. My experience has been that there is very little variation in the program from time to time, but some new conditions may arise to cause some slight change.

Mr. SNELL. So far as we know at this time, that will be the program for the 4th of March.

Mr. GARRETT of Tennessee. I just though it might be confusing.

Mr. SNELL. Then we will leave that out of the RECORD for the present.

Mr. POU. My information is that a great many inquiries have been made in regard to getting tickets for the inaugural stand out here. I understand there will be a record-breaking crowd in the city. Can the gentleman from New York give us an idea of how many tickets each Member will receive?

Mr. SNELL. About seven tickets. That will apply also to retiring Members, and each new coming Member elect will have two tickets.

Mr. POU. And in addition to the seven tickets for the Capitol stands the Members will have the preferential right to purchase tickets on the downtown stands?

Mr. SNELL. Yes; in the court of honor.

Mr. TILSON. The retiring Members will have the same number of tickets for the platform in front of the Capitol as the others, and the new Members elect, who are here for the first time, will have only two?

Mr. SNELL. Yes; that is correct.

Mr. TILSON. All Members of the House will march over to the Senate Chamber?

Mr. SNELL. Yes. They will march over, and each Member will have his ticket with him at that time. When the tickets are ready they will be distributed by the Sergeant at Arms of the House, and each Member will be called on to sign personally for those tickets.

APPOINTMENT OF MASTER SERGT. AUGUST J. MACK AS A WARRANT OFFICER, UNITED STATES ARMY

Mr. MORIN. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent to take from the Speaker's table H. R. 10472, to authorize the appointment of Master Sergt. August J. Mack as a warrant officer, United States Army, concur in the Senate amendment, and pass the bill.

The SPEAKER. By authorization of the Committee on Military Affairs, the gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table House bill 10472, with a Senate amendment, and concur in the same. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill and the Senate amendment.

Mr. GARNER of Texas. Mr. Speaker, may I ask the gentleman whether this is the unanimous request of the committee?

Mr. MORIN. Yes; I so stated in my request.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was agreed to.

REREFERENCE OF A BILL

Mr. MORIN. Mr. Speaker, I ask unanimous consent to refer the bill H. R. 16036, to authorize the cession to the city of New York of land on the northerly side of New Dorp Lane in exchange for permission to connect Miller Field with the said city's public sewer system, from the Committee on Public Buildings and Grounds to the Committee on Military Affairs.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to rerefer House bill 16036 from the Committee on Public Buildings and Grounds to the Committee on Military Affairs. Is there objection?

Mr. ELLIOTT. Mr. Speaker, reserving the right to object, that is the bill, as I understand it, which refers to land that is under the jurisdiction of the War Department and over which the Committee on Public Buildings and Grounds has no jurisdiction?

Mr. MORIN. Yes; it is land in New York.

Mr. GARRETT of Tennessee. Is that the New York bill?

Mr. MORIN. Yes.

Mr. GARRETT of Tennessee. It is land in a military reservation?

Mr. MORIN. Yes.

Mr. ELLIOTT. I have no objection.

The SPEAKER. Without objection, the rereference will be made.

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. SIMMONS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 16422) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1930, and for other purposes. Pending that I ask unanimous consent that the time for general debate to-day be controlled equally by myself and the gentleman from Pennsylvania [Mr. CASEY].

The SPEAKER. The Chair thinks the agreement made yesterday with reference to general debate would hold to-day.

Mr. TILSON. But the gentleman asks that the control of the time be transferred to the gentleman from Pennsylvania [Mr. CASEY], the time yesterday being controlled by the gentleman from New York [Mr. GRIFFIN].

The SPEAKER. The gentleman from Nebraska moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 16422, and pending that asks unanimous consent that general debate to-day be controlled one-half by himself and one-half by the gentleman from Pennsylvania [Mr. CASEY]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Nebraska.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16422, with Mr. HOOPER in the chair.

The Clerk read the title of the bill.

Mr. SIMMONS. Mr. Chairman, I yield one minute to the gentleman from Iowa [Mr. COLE].

Mr. COLE of Iowa. Mr. Chairman, I am asking this time merely for the purpose of presenting a letter which I received setting forth a proposition for a White House in the country. It comes from a reputable man and I think it is worthy of consideration.

Mr. BANKHEAD. Will the gentleman yield?

Mr. COLE of Iowa. Yes.

Mr. BANKHEAD. Has the gentleman conferred with the gentleman from Massachusetts [Mr. UNDERHILL] with reference to this request?

Mr. COLE of Iowa. No; I have not, but I am sure the gentleman from Massachusetts would not think of offering an objection to this letter.

Mr. BANKHEAD. Well, he thinks of offering objections to requests of this sort.

Mr. COLE of Iowa. It is a short letter.

Mr. BANKHEAD. He has prevented a number of requests made on this side from being granted by his objections.

The CHAIRMAN. The time of the gentleman from Iowa has expired. Does the Chair understand that the gentleman from Iowa asks unanimous consent to extend his remarks by inserting the letter referred to?

Mr. COLE of Iowa. Yes.

The CHAIRMAN. Is there objection?

There was no objection.

The letter referred to follows:

HOLLY STOVER (INC.),
Washington, D. C., December 17, 1928.

Hon. CYRENUS COLE,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: President Coolidge recently set forth many good reasons for the establishment of a permanent summer White House in the vicinity of Washington, and, in view of the general public interest in the proposal, this appears to be an appropriate time to call attention to an excellent site for the location of such an establishment.

Several prospective places have been mentioned, each of which has some of the qualifications that are necessary, but there is no more ideal spot in the world for such a home than at the summit of Cave Hill, at Grottoes, Va. Situated in the southern part of the Shenandoah Valley, Cave Hill commands a superb outlook on the surrounding valley that is bounded on the east by the beautiful Blue Ridge and on the west by the towering Alleghenies. At the foot of Cave Hill the Shenandoah River winds its way on toward the Potomac and offers the opportunity for boating, bathing, and fishing—forms of entertainment not to be found at many country locations. Cave Hill is close to the southern entrance to the Shenandoah National Park and, if located there, our future Presidents and their families would have easy access to the trails and highways in that national reserve.

The high altitude at Cave Hill assures comfort all through the summer months and the thin mountain air is pure and invigorating. Here will be found an abundance of fine mineral and lithia springs and just a short distance away are located some of the most famous of the Virginia springs.

In addition to its other attractions, the geographical location of Cave Hill commends it for such a purpose. It is just close enough to Washington, Charlottesville, Roanoke, and Staunton to make easy the transaction of necessary business, and yet it is far enough from these centers of population to assure the necessary seclusion. Here our Presidents' home would be hidden away from the idle curious, and they would be as free and happy as if they were on their own private domain. Three splendid highways from Washington lead directly to Cave Hill, and, by motor, only five or six hours are required for the trip. A station of the Chesapeake & Ohio Railway is close by and the journey from Washington on the Cincinnati express is but a short afternoon trip.

Cave Hill is a part of the acreage that belongs to Grand Caverns and it affords me pleasure to offer to the Government, free of charge, all the land that would be required for the establishment of the summer White House. Investigation will reveal the truth of the statements I have made here, and I am certain that the location will be found particularly desirable in all ways.

It will be greatly appreciated and esteemed a personal favor if you will convey our offer to the committee, or officials who will attend to the matter.

Sincerely yours,

HOLLY STOVER.

Mr. SIMMONS. Mr. Chairman, I yield myself one hour.

Last year in my discussion of this bill I went at length into the subject of fiscal relations between the United States and the District of Columbia. It does not seem necessary to take the time of the House for such a detailed statement at this time. I will, however, discuss briefly the Bureau of Efficiency report on fiscal relations and briefly outline the situation as it is affected by this bill.

On January 11, 1929, I presented to the House the report of the Bureau of Efficiency on fiscal relations between the United States and the District of Columbia. This report was made at the request of the late Martin B. Madden, chairman of the Committee on Appropriations. The Bureau of Efficiency had but one instruction, to report facts to the Congress. Mr. Madden believed that the Congress knew the facts, believed that the United States was dealing not only justly but liberally with the District of Columbia. He welcomed any fact not known, believing that the Congress in the possession of the facts would fairly decide this issue. Various studies have heretofore been made by Members of this House, none of which were acceptable to those citizens of Washington who in season and out constantly demand more and more from the Federal Treasury. The report from the bureau was asked for in the hope that, as an independent study, it might bring this constant complaint against the Congress to an end. The report has been made. The report accepts as its basis the premises heretofore outlined by District citizens as the proper ones on which to reach a decision—and from that basis the report in its determination of facts fully supports the position heretofore taken and maintained by the House of Representatives.

The report determines first that the liability of the Federal Government, were it a taxpayer, would in the fiscal year 1928 have been $7,440,939. It then states that after deducting this "tax liability" from the "$9,000,000 lump-sum contribution $1,559,061 was left to be applied against" the Federal Government's "liability on account of the loss of revenue and on account of extraordinary expenditures occasioned by the fact that Washington is the National Capital." In that statement the report grants to the District everything that the most enthusiastic opponents of the $9,000,000 lump-sum plan have demanded. It gives no credit to the Government of the United States for the use of buildings and land owned by the United States, a normal rental of which would be $150,000—see hearings, pages 44, 45, 46. It gives no credit to the United States for property given to the District last year amounting to $27,356.84—see hearings, page 48. It gives no credit to the United States for the services of 10 Army officers in municipal capacities at salaries amounting to $42,137—see hearings, page 46. It gives no credit to the United States for the services rendered to the District by such Federal agencies as the Bureau of the Budget, the Bureau of Efficiency, the Bureau of Standards, the Bureau of Public Roads, and the many services in one capacity and another rendered the District by the Federal Government that are too numerous to detail and impossible to estimate—all, however, being services not rendered to any other American city by the United States and services given to the municipal government without charge.

Last, but by no means least, the report does not even suggest that the United States should be given either credit or consideration for the maintenance here of the largest business in the world—the Government of the United States—the maintenance of an army of employees here at an ever-increasing pay roll of approximately $140,000,000 a year that is not affected either by flood or drought, or by famine or overproduction. Business depression does not reach it. Washington, due to the location here of the seat of government, is the only city in America that is assured of a permanent and growing prosperity. The business of the Government brings multiplied thousands to this city, spending millions in Washington annually; the tourist and those who come here to see their Government in action or to worship at her shrines bring other millions to the tills of Washington's business houses; still other thousands come to make this their home, drawn by the advantages, social, official, and educational, that the Government provides, all contributing vast amounts to the prosperity, the business, and the growth of Washington.

The report suggests no credit to the United States for the multiplied millions spent here in buildings, grounds, and shrines or those that hereafter will be spent. Likewise, the report suggests that the United States be charged with "taxes" on its property here—every dollar of it—completely ignoring the fact that no city in America save Washington has the temerity to ask that the Government of the United States contribute to its revenues in lieu of taxes. Every large city of America has valuable Government-owned properties in their midst from which no city revenue is derived. The Government even refuses to pave the streets in front of its own property in every city of America save Washington, and yet this report does not even suggest that the United States should have a deduction or "exemption" equivalent to that which it receives in other cities. Every dollar of Federal property in the District used for Federal purposes is to be "taxed" here in the Nation's Capital—entirely ignoring the exemptions that the Federal Government rightly enjoys in every city of America.

The report gives no credit to the United States for the great increase to the value of private property given by such Federal improvements as the new bridge across the Potomac, adding at least $15,000,000 to the taxable values of the District, the bridge itself a benefit for which the District makes no payment but receives all the advantages. Other illustrations without number may be used.

The report holds that we should pay in excess of a tax comparable to other property holders. It then suggests another and an indefinite obligation to pay other moneys to the District

but it gives no credit to your Government and mine for the benefit that this city receives from the Federal Government that no other city receives.

The report refers to a "liability on account of the loss of revenue" occasioned by the fact that Washington is the National Capital, and likewise refers to "extraordinary expenditures" occasioned by the same fact.

What revenues have been lost by the fact that Washington is the seat of government? None can be established. There are those who imagine that were this not the Nation's Capital that factories and other activities would come. Possibly so—but at best a rather unsatisfactory basis upon which to predicate a charge of "loss of revenue." Certainly to be set off against that are the definitely easily established millions of dollars that are drawn here by the "fact that Washington is the National Capital," that would not come here for any other reason. My own opinion is that the actual "loss of revenue" to Washington were this not the National Capital would be far greater than any imaginary "loss of revenue" caused by the fact that it is the Capital.

The charge that there is a "loss of revenue" here "by the fact that Washington is the National Capital" and that therefore there is a "liability" on the part of the United States to contribute to the District on account of that "loss." The loss, of course, can not be proven. The inference from the statement is that Washington, were it not the Capital, would be permitted a greater control of its own destinies; that industries would come, and so forth. The charge is that Washington, in comparison with other cities, is retarded in its growth, handicapped by the presence here of the Nation's Capital.

What are the facts? In 1906 Washington was the fifteenth city of the country on a population basis, with a population of 307,716. In 1911 Washington was the seventeenth city, with a population of 337,476. In 1916 Washington was the seventeenth city of the Nation, with a population of 361,329. In 1921 Washington was the fourteenth city of the Nation, with a population of 448,541. In 1926 Washington was the thirteenth city of the Nation, with a population of 525,000.

So it is clear that Washington is not only not being retarded by the presence here of the Nation's Capital but the city is rapidly gaining in population and is going ahead of "industrial" cities because of the fact that "Washington is the National Capital."

Considering the admitted fact of Washington's very rapid development in population and gain over other cities, may I refer to the statement of Mr. William P. Richards, assessor for the District, appearing on page 560 and following, from which I quote to show that Washington has had no "loss of revenues," and that there is no merit in that claim:

> The growth of real-estate values in any city will depend in great measure on the growth of its population. Many are led to think that moneys in bank, stocks, goods, and mortgages express the wealth of a community, but these are forms of wealth depending primarily on the use of land. In fact, the United States census in estimating the wealth of the country includes only real estate and tangible personal property. That is, the census listed physical properties and ignored evidences of debt or intangible values. For example, if real estate worth $10,000 has a mortgage of $5,000 attached to it, there can be no true measure of value in the sum of the two figures. Real estate is not only the foundation of our true wealth but the real-estate value of any city gives us an exact measure of its relative importance. We know that our large cities are our wealthy cities and that our small ones need hardly be mentioned as having wealth, yet when the real-estate value of a large city is divided by its population giving a per capita value we find that the small city will be in close accord in its per capita value.
>
> Therefore wealth as applied to real estate increases in all cities just as the population increases—that is, all cities that grow increase proportionately in value—and it is not surprising that the District of Columbia has increased in population and wealth at the same rate as shown by the growth of the United States.
>
> Washington and the District of Columbia have, therefore, from all indications a future in growth of wealth that seems to be assured and steady. We have no bonded debt to consume in interest a part of our taxes. We have a pay roll from the Government that is steady and certain from month to month and year to year. Depression in business is not felt within the District in the same manner as it is in other cities, and the program of national improvements, which is bound in some near future to be carried out, will be still more material gain to our District wealth.
>
> We are able to draw the following conclusions with respect to the changes of real-estate values, both here and elsewhere: That the real-estate values of a city will increase in direct proportion with its increase in population.
>
> That purchases of parks and playgrounds; the building of monumental public buildings; the improvement of public highways; model provisions for education and for protection to life and property; all when accomplished within certain bounds, will increase the wealth of a city and thereby attract population. But in the end the per capita wealth will have been changed very little.

Mr. KNUTSON. Will the gentleman yield for a question?

Mr. SIMMONS. Yes, sir.

Mr. KNUTSON. Who pays for the maintenance of our parks in Washington?

Mr. SIMMONS. Outside of the reservations around Federal buildings, they are carried in the District bill.

What are the "extraordinary expenditures occasioned by the fact that Washington is the National Capital"? In the hearings and report a year ago and in the subsequent discussions on the District bill, we took up and examined the claims of "extraordinary expenditures" advanced by the board of trade, chamber of commerce, and others, and one by one they were examined and one by one they were abandoned by their proponents.

These observations have been made not so much with the thought of "finding fault" with the bureau report as they have been made with the idea of demonstrating that the report, to say the least, is not unfriendly to the District and most certainly is not biased in favor of the United States.

It is not my purpose here to go into a detailed analysis of the tables in the report. They are printed and available as House Document No. 506. Two conclusions are readily drawn from the report:

First. That the United States is not only fully meeting and paying every obligation that could possibly come to it were it a taxpayer, but, in addition, is contributing over and above all that a considerable and generous sum and more than meeting its obligations toward the Capital City.

Second. That the city of Washington is not only not overtaxed, but, in fact, is undertaxed in comparison with other cities. That the low taxes here have not resulted in an undernourished city, but that, on the contrary, Washington, when compared with other cities, is developing in all its city activities without undue curtailment of funds.

The position of the House on fiscal relations and the contribution made by the United States to the District of Columbia is fully supported by this report. I commend a study of the report to those Members of the House who are interested in the details of city expenditures, and revenues generally, as well as in the Capital City.

It is interesting to note that the United States, on the basis of being a "taxpayer," has put 22.2 per cent of the "taxable" real property of the District, upon which the Bureau of Efficiency figure a "tax" of $5,452,767. Then the bureau arrives at a "tax" of $1,536,315 upon tangible personal property for the year 1928. It should be noted that the total collections for the District on tangible personal property in 1928 amounts to but $1,470,203. These figures charge the United States with 51 per cent of the taxable tangible personal property of the District. Clearly one of two things follow. Either the figure for the United States is excessive, or else the owner of tangible personal property in the District is escaping the payment of taxes on that class of property. Whichever conclusion is reached, it leaves the District taxpayer in an advantageous position as compared with the United States.

The Bureau of Efficiency then, by a purely arbitrary method with which I do not now quarrel, charges the United States with an intangible personal property tax of $451,857. The justice of "charging" the United States with an intangible personal "tax" is subject to serious question. But without discussing that, may I point out that in 1928 the District collected on intangible personal property $2,378,569.28, as against the $451,857 which the Bureau of Efficiency here charge to the United States. The Federal "intangible tax" is then 16 per cent of the whole.

We have then this table of percentages available on which to judge the fairness of the "tax charge" against the United States:

> Real property tax payable by United States, 22.2 per cent of the total.
>
> Personal tangible property tax payable by the United States, 51 per cent of the whole.
>
> Personal intangible property tax payable by the United States, 16 per cent of the whole.

I suggest that in view of the fact that the 22.2 per cent real property is based upon the District assessor's figures, that the same percentage could rightly be applied to tangible and intangible personal property in lieu of the method used which obviously reaches a result unfair to the Federal Government when compared with the comparative amount paid by the Dis-

trict taxpayer on personal tangible property. We would then have a charge or "tax" of—

Real property	$5,452,767
Tangible personalty	419,518
Intangible personalty	678,718
Total	6,551,003

I suggest that a total "tax liability" of $6,551,003 is far nearer correct than is the $7,440,939 proposed by the Bureau of Efficiency. This figure is somewhat larger than I arrived at last year due to the inclusion in part of intangible property. But either figure shows that.

Whichever of the three tables are accepted, the present contribution of the United States is shown to be not only fair but very generous to the people of the District.

The report discloses that in 1915 the Federal property, including park property, constituted 36.8 per cent of the whole. In 1928 it was but 28.3 per cent of the whole, or when park property is excluded in 1915 the Federal property was 28.2 per cent of the whole and in 1928 but 22.2 per cent of the whole.

Demand is made by District taxpayers that Congress return to a percentage basis of contribution instead of the lump sum now carried and that the percentage paid by the United States be 40 or 50 per cent of the total. These figures disclose the reason for the demand and also why, in fairness to the United States, neither of these requests can be granted.

If the ratio between privately owned and federally owned property remained constant year after year, then the percentage plan of payment would be as fair a basis of contribution as the lump sum. But the ratio does not remain constant. The percentage of federally owned property is constantly decreasing and the percentage of privately owned property constantly increasing. It is perfectly obvious therefore that a fixed percentage under those circumstances would inevitably mean relatively increased "taxes" to the United States and decreased taxes to the private property owner. That is likewise the obvious reason that the fixed percentage basis is demanded by the District taxpayer. If the United States in 1915 owned for Federal purposes 28.2 per cent of the property and in 1928 but 22.2 per cent of the property, then a percentage in 1915 that was fair both to the United States and the District taxpayer would in 1928 be unfair to the United States and decidedly favorable to the District taxpayer.

Likewise these figures clearly show why the Federal contribution has properly decreased comparatively during the recent years that have witnessed a rapid development of private property in the District. Demand is made that the United States carry 40 per cent of the cost of the city government, and yet this report discloses that the United States owns and uses for Federal purposes but 22.2 per cent of the property of the District. Is it fair to ask 22.2 per cent of the property to pay 40 per cent of the taxes?

The lump-sum contribution of $9,000,000 carried in this bill pays 28 per cent of the total paid from general revenues, which again discloses that the United States, owning but 22.2 per cent of the property, is carrying its full share of the load. This is approximately the same percentage as has been paid during the past two years.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. JOHNSON of Texas. I notice some contention in the public press that the percentage of Government-owned property is increasing, but I understand from the figures just given that the reverse of that is true.

Mr. SIMMONS. The reverse of that is true. In 1915 we used for Federal purposes, according to the assessor, 28.2 per cent of the property. Due to the increase in the values in the development of private property in the District, that figure is now down to 22.2 per cent.

What would the $9,000,000 Federal contribution pay?

Based upon this bill, the $9,000,000 contributed by the Federal Government to the District of Columbia would pay the cost of the police department, the fire department, the health department, the courts and prisons, the public buildings and parks, including $1,000,000 for the purchase of land under the National Capital Park and Planning Commission, and the Zoo. There is then left for the people of the District to pay the general salary items, contingent and miscellaneous expenses, street and road improvement and repair, sewers, collection and disposal of refuse, the electrical department, the schools, the public welfare. The water service is self-supporting. The gas tax pays $1,600,000 of the $3,785,100 carried in the street and road improvement and repair item.

Upon the items in the bill, if the 60-40 plan were in force, the District would be called upon to pay only for the general salaries of the city, contingent and miscellaneous expenses, street and road improvement and repair, public schools, the health department, and public welfare.

While the United States would be asked to pay for the sewer system, the collection and disposal of refuse, public playgrounds, the electrical department, including all street lighting, and so forth, police and fire departments, courts and prisons, parks and buildings, including the $1,000,000 for new park land under the National Capital Park and Planning Commission, and the Zoo.

To state it thus is to show how utterly absurd and unfair it is to ask that there be a return to 60-40.

Accepting the Bureau of Efficiency values of real, personal, tangible, and intangible property, we are charging in this bill against the United States the equivalent of a $2.10 tax rate while the District taxpayer enjoys a rate of $1.70 in comparison. If the 60-40 plan were returned to, the United States rate would be $3.15 and the District rate $1.15 in comparison.

Bear in mind always that the District tax rate included all taxes generally separated elsewhere into school district, sanitary district, city, county, and State taxes. If the 60-40 plan were accepted for the fiscal year 1930, the United States would be called upon to contribute $13,070,728 and the District would be called upon to contribute $21,091,092 from its general tax revenues, while under the lump-sum plan the United States contributes $9,000,000, plus other items mentioned elsewhere, and the District taxpayer contributes $26,151,820.

Tables upon which this is based will be inserted in the RECORD.

It is interesting to note that on a 60-40 basis the real property charge against District property would be $13,374,500, as against a Federal contribution of $13,070,728. Or the United States, under the 60-40 plan, would be called upon to pay $1 into the treasury of the District for every dollar collected from real-estate taxes in the District. The 60-40 plan, then, actually means a 50-50 so far as the average taxpayer in the District is concerned.

Mr. JOHNSON of Texas. Will the gentleman yield again for a question?

Mr. SIMMONS. Yes, sir.

Mr. JOHNSON of Texas. In answer to the question I asked a moment ago, the gentleman gave the percentage of Government-owned property and privately owned property in the District. Is that based upon the percentage of valuation or the percentage of area? I presume it is upon valuation.

Mr. SIMMONS. Percentage of valuation. I have accepted all through the assessor's values of the District.

Mr. CRAMTON. Will the gentleman yield for a question?

Mr. SIMMONS. Yes, sir.

Mr. CRAMTON. The gentleman stated just now that under the 60-40 plan the Federal contribution would be about $13,000,000?

Mr. SIMMONS. Yes, sir.

Mr. CRAMTON. In that connection, if we returned to the old plan by which we had our 40 per cent share in the fines and fees and licenses, and so forth, there would be probably $800,000 or $900,000 coming back to us from the $13,000,000.

Mr. SIMMONS. No; that amount is exclusive of such receipts. The gross figure on a 60-40 basis is $14,060,728.

Mr. CRAMTON. That is what I wanted to be sure about.

Mr. SIMMONS. And that has grown now to about $1,000,000.

Mr. CRAMTON. But the $13,000,000 would be exclusive of that?

Mr. SIMMONS. Yes, sir.

Mr. TILSON. Will the gentleman yield there?

Mr. SIMMONS. Yes, sir.

Mr. TILSON. Has the gentleman a table showing the comparative taxation of property in the District as compared with other cities of the country of comparable size?

Mr. SIMMONS. That is all in the report of the Bureau of Efficiency, which has been printed and is available this morning. It comprises about 50 pages of printed matter.

Mr. TILSON. Then it does appear clearly in that report?

Mr. SIMMONS. It shows that the District, on the average, is under the average in tax loads and expenditures.

Particular attention should be called to the fact that the United States is not paying $9,000,000 out of the total of $41,265,250 carried by the bill. The United States is paying $9,000,000 out of $35,151,820.

The balance of the District revenues, to wit, $6,113,430, are derived from trust funds, the gas tax, water revenues, and miscellaneous revenues.

The total expenditures in this bill, including the supplemental estimates submitted by the Bureau of the Budget at our request, can all be paid out of the estimated 1930 revenues and leave a surplus of $1,863,180 to take care of deficiencies, new legislation, and so forth.

Tax rate for 1930 on assumption of 60-40 appropriation basis for that, based on total recommendations of committee

Amount recommended in bill		$41,265,250
Less trust and special funds and items payable from gasoline-tax fund and water fund		6,113,430
		35,151,820
40 per cent of divisible items payable by the United States		14,060,728
60 per cent of divisible items payable by the District of Columbia		21,091,092
		35,151,820
60 per cent payable by the District of Columbia		21,091,092
Tax on intangibles	$2,600,000	
Tax on public utilities, etc	2,200,000	
Miscellaneous revenues (less $1,015,000 to the United States)	1,985,000	
Tax rate of $1.15 on real estate (assessment of $1,163,000,000)	13,374,500	
Tax rate of $1.15 on tangible personal property (assessment of $107,000,000)	1,230,500	
		21,390,000
Tax rate of $1.15 on above basis would raise in 1930 excess revenue of		298,908

Tax rate for 1930 based on total of recommendations of committee ($9,000,000 contributed by United States)

Amount recommended in bill	$41,265,250
Less trust funds, gasoline tax fund items and water-fund items	6,113,430
	35,151,820
Add:	
Police and fire pensions	550,000
Refunding taxes	60,000
Street extension awards	500,000
District of Columbia part of accrued liability, employees' retirement fund	150,000
Freedmen's Hospital, one-half	115,000
Total	36,526,820
United States contribution	9,000,000
Tax on intangible personal property	2,600,000
Tax on public utilities, etc	2,200,000
Miscellaneous revenues	3,000,000
Tax rate of $1.70 on real estate (assessment of $1,163,000,000)	19,771,000
Tax rate of $1.70 on tangible personal property (assessment of $107,000,000)	1,819,000
Total	38,390,000
Excess revenues under $1.70 tax rate for 1930 (reserve for supplemental and deficiency appropriations, etc.)	1,863,180

Attention is called to the table on page 41 of the hearings. The United States, by the substitution of the $9,000,000 lump-sum contribution for the 60–40 plan, releases to the District government miscellaneous revenues which under the 60–40 plan would otherwise be credited to the United States. In 1928 those revenues amounted to $865,339. It is estimated that they will equal $895,000 in 1929, and in 1930, $990,000. This, of course, should be considered in addition to the $9,000,000 Federal contribution, for its revenues that the District would not receive under the 60–40 plan.

Mr. LINTHICUM. Will the gentleman yield for a question there?

Mr. SIMMONS. I yield to the gentleman.

Mr. LINTHICUM. Has the gentleman got the figures showing how much we collect from automobile taxes?

Mr. SIMMONS. The gentleman means automobile licenses?

Mr. LINTHICUM. Automobile licenses or taxes.

Mr. SIMMONS. I do not have it in this statement, but it is over $100,000 a year.

Mr. LINTHICUM. That goes into the improvement of the streets, I presume?

Mr. SIMMONS. Yes, sir.

Mr. LOWREY. The gentleman stated that the District is undertaxed, according to the report referred to. Can the gentleman tell us in about what proportion the District is undertaxed as compared with other cities of its size?

Mr. SIMMONS. That goes into the complete table of the Bureau of Efficiency report of about 50 pages separating the taxes into various groups, both revenues and expenditures, and you would have to study the entire report in order to arrive at that answer. The report is available in the committee room if the gentleman cares to have it.

I regret that the Bureau of Efficiency have not submitted to the Congress tables of the various other taxes that enter into the revenues of a city and the tax cost to its citizens. I am advised that this material will be submitted and included in the main report. In my judgment the charge for water in Washington is exceedingly low. How does it compare with other cities? The $1 a car auto-license cost in Washington is absurdly low. What do other cities pay? The gas tax here of 2 cents a gallon is the lowest rate charged by any tax body. Maryland charges 4 cents and Virginia 5 cents. License and gas tax revenues here are spent on the city streets. License and gas tax moneys collected in most cities are spent on country roads.

Mr. LINTHICUM. That is the item I wanted to know about—the gas tax.

Mr. SIMMONS. The gas tax amounts to about $1,500,000. I can not give the exact figures now.

Mr. LINTHICUM. I want to say to the gentleman that in Maryland a certain proportion of the gas tax and the license tax goes to the city of Baltimore and is not spent on the roads.

Mr. SIMMONS. Baltimore gets a division of it, but even a part of the money collected in Baltimore is spent on country roads.

Mr. LINTHICUM. Oh, yes.

Mr. SIMMONS. What advantage does Washington have as a result of it over other cities? No inheritance tax is levied in the District. What is the status of other jurisdictions?

What are the comparative corporation tax rates between Washington and other cities and States? Here few such charges are made.

The head of a family in the District has exempt from taxation household goods, and so forth, of the value of $1,000. What are the exemptions elsewhere?

The District levies no poll tax. What of other jurisdictions? Every State but five has one in some form.

What about license taxes and general franchise taxes?

Last year I discussed these questions briefly before the House on May 25, 1928, my remarks then being incorporated in House Document No. 330.

Mr. GIBSON. Will the gentleman yield there?

Mr. SIMMONS. Yes, sir.

Mr. GIBSON. Will the gentleman state what is received by the District from license taxes?

Mr. SIMMONS. That statement is in the hearings. I could not give it offhand.

Mr. GIBSON. I desire to call the gentleman's attention to the fact that I will introduce to-day a bill covering the levy of license taxes, which materially increases the amount that will be received by the District.

Mr. SIMMONS. They will crucify you, too.

Mr. GIBSON. Well, I am used to that.

Mr. SIMMONS. What other taxing jurisdiction in America gives an exemption from taxation to intangibles comparable to those given by the District and listed on page 23 of House Document No. 330?

Washington taxes tangible personal property at a rate of $1.70 a hundred; intangibles are taxed at 50 cents a hundred. Do other tax bodies give intangibles a rate of less than 30 per cent of the tangible rate?

Is there another city in America that receives contributions from the Federal Government toward its general expenses? Is there another city of the United States without bonded or other indebtedness? Is there another city of the United States with a cash free surplus of approximately $7,000,000?

Each Member may be able to answer these and other questions as they apply to his own State and be thereby able to judge of the tax burdens of Washington. The answer to some of them may be found in the report.

Clearly the report establishes that the lump sum, and not the percentage plan of contribution, is the proper one, and clearly the report establishes the fact that the present contribution is ample and generous to the District. The report, while favorable to the District in every basis of calculation, clearly supports the position taken and maintained by the House of Representatives.

Mr. MOORE of Virginia. Has the gentleman taken any pains to ascertain, or did the bureau which has made this report make any attempt to ascertain, how closely the tax on intangibles is collected here?

Mr. SIMMONS. No; we have asked for a supplemental study of that angle of it by them. It is not involved in this report so far as I have discovered.

Mr. MOORE of Virginia. About what is derived now from intangibles?

Mr. SIMMONS. About $2,500,000. I stated the figure a moment ago, and it is approximately that amount.

Mr. JOHNSON of Texas. On the question of surplus, did I understand the gentleman to say that the District has a surplus of $7,000,000 unexpended?

Mr. SIMMONS. Seven million dollars; yes. I am coming to that in a moment.

Mr. GIBSON. Will the gentleman yield for another question?

Mr. SIMMONS. Yes, sir.

Mr. GIBSON. Reverting to the matter of the amount received from licensing of automobiles, did the gentleman state the amount received by the District?

Mr. SIMMONS. It is over $100,000. It is $1 a car, and we have a little over 100,000 cars in the District.

Mr. GIBSON. We have more than 140,000 cars in the District, I think.

Mr. SIMMONS. The figure has grown. I am using figures of last year. I do not have the figures available for this year.

Mr. GIBSON. In addition to the $1 per car, is there not a personal tax levied?

Mr. SIMMONS. There is a personal-property tax levied, but practically in all instances not paid. We carry in this bill a provision which, if allowed to stay in the bill, will require that they shall show the payment of personal taxes on their cars before they can get their licenses for the next year. At the present time they go to the license bureau, give a fictitious address as their place of residence, get their licenses for their automobiles, and there is no way to follow up on the car to find it ever for personal taxes.

Mr. GIBSON. May I make this suggestion: If the same amount is collected in the District from automobile owners as is collected in my State, the District, in place of receiving $100,000, would receive a little in excess of $4,200,000.

Mr. HOLADAY. If the gentleman will yield, I want to say that the amount received in the District for automobile licenses was $156,000 plus.

Mr. SIMMONS. You will find in the hearings, page 572, the report of the Detroit Bureau of Governmental Research for 1928. This is a private and not a governmental study. It is not my purpose to comment at length upon it. Those who care to do so may compare it with the Bureau of Efficiency report. By comparison between the two reports it is very evident that the Bureau of Efficiency report is decidedly favorable to the District taxpayer.

Again the old cry is raised that the district is compelled to furnish "free water" to the United States. There is no truth in the statement and yet the newspapers and others repeat over and over again the charge, possibly hoping by repeated statements to cause some one to believe that it is so. Reference is made to the table inserted in the record on page 507. The water system of Washington is a self-supporting enterprise. Appropriations for salaries, extensions, and betterments for operation and maintenance are all paid out of the water revenues. No part of the cost is reflected in the tax bill of the District resident. Of the capital invested in the plant the United States has contributed $12,311,887.66. The District of Columbia has contributed $10,383,036.93. The plant then is owned jointly by the United States and the District of Columbia, with the United States, as usual, paying the greater share.

Twenty-six million one hundred and seventy-five thousand seven hundred and fourteen dollars and thirty-one cents of the cost of the system has been paid for by the application of earnings of the system to its extension and betterment. In the fiscal year 1928 the value of the water used by the United States was $251,175, while the value of the water used by the District of Columbia was $775,074.

On the basis of water used, the United States received a return on its investment in the system of 2.04 per cent. On the same basis the District of Columbia received a return of 7.46 per cent on its investment. It is therefore perfectly obvious that due to the generosity of the United States in furnishing more than 50 per cent of the capital invested in the water system, the District, as usual, occupies an advantageous position. These facts ought to dispose of the charge that the District gives "free water" to the United States. I have no hope that it will.

Likewise, due to the generosity of the United States in furnishing 54 per cent of the capital invested in the system, the domestic users of Washington receive a pure and ample water supply at one of the lowest costs in any American city.

Last year the committee in order to bring the employees of the District of Columbia up to the average of salaries in the same grades in the Federal service added $121,245 to the salary estimates received from the Bureau of the Budget, making a total of $175,000, stipulating that this payment should go to those grades where the lower salary rates applied. It was contemplated at that time that an additional increase this year of $170,000 in salaries would be necessary to secure the expressed desire of the committee. The increases granted last year have been made in accordance with the intention of the committee. Those salary increases affected approximately 50 per cent of the District force. At the time the committee took that action the passage of the Welch Act was not contemplated. The Welch Act, passed in the last few days of the session, applied to District as well as Federal employees. As construed and applied it granted pay increases to all employees of the District and to many employees two increases in pay schedules. Following the adjournment of Congress the question was raised as to whether or not the Welch Act superseded the "set-ups" given by the Congress in the last District bill. I advised the District officials that it was my opinion that the Welch Act increases were in addition to and not in lieu of the increases granted by Congress. The interpretation I suggested was followed. The net result of the whole transaction was that the District employees received under the increases carried in the District bill last year $175,641. The Welch Act added $557,802 to the pay roll of the District government over and above the $175,641 granted by the committee. The total of the two bills reached $733,433 in salary increases last year in the District government. All District employees during the last year received one increase in pay, better than 50 per cent received two increases, and many of them three increases.

Detailed studies of the salary schedules have again been made and appear in the hearings beginning on page 53. Particular attention is called to the statement beginning on page 57 of the departments and establishments of the Federal Government where the average is either lower or not higher than the District average of salaries. These tables show that the operation of the Welch Act and the increases granted last year by the committee have brought the average of the District salaries to an advantageous comparison with Federal salaries. The purpose of the committee has been accomplished; the salary increases contemplated last year have been already granted; additional increases are not justified and the committee has not granted them. In this connection it is proper to call attention to the fact that the amendment and liberalization of the Welch Act is being urged upon the Congress. No prophecy is ventured as to the effect of the new proposals.

Prior to the holding of hearings on this bill study was given to the fiscal condition of the District of Columbia. Briefly a very satisfactory situation exists. On June 30, 1928, the District of Columbia had on deposit in the Treasury of the United States, over and above all obligations, a free balance of $6,126,600. That free unobligated balance will be on June 30, 1929, approximately $7,186,752. The estimated revenues of the District for the fiscal year 1930 covered by this bill are $38,390,000. The bill as sent us from the Bureau of the Budget called for expenditures of $33,787,792 and thereby would have created this year an estimated surplus above expenditures of $3,227,000.

Without increases by way of deficiency appropriations or new legislation and assuming the passage of the bill sent us by the Bureau of the Budget there would have been a surplus in the Treasury on June 30, 1930, of approximately $10,400,000 over and above all obligations.

By the act of June 29, 1922, the District was required to create a surplus sufficient to keep on a cash basis at all times. That sum has been fixed at $4,000,000. I agree that the reserved amount is a proper one. It is customary likewise to reserve $1,000,000 to take care of subsequent appropriations and new legislation.

Deducting that $5,000,000 it is obvious that additional appropriations from $4,000,000 to $5,000,000 can be made without jeopardizing the finances of the District. In our judgment those appropriations should be made for needed betterments—they can be made without increased taxes in the District or the Federal contribution.

Accordingly we asked the city officials to submit their estimates of needed betterments. Informal conferences were then held with the Bureau of the Budget and at our request estimates for betterments in the District were submitted, as follows:

Public library, land	$35,000
District repair shop	205,000
Repairs to Anacostia River Bridge	120,000
Park View School	265,000
Buchanan School	120,000
School sites	109,000
Salary, supreme court	10,000
Nurses' home at Gallinger Hospital	150,000
Railing and walk at Hains Point	40,000
Additional park land	400,000
Reptile house at Zoo	120,000
Total	1,674,000

Mr. TILSON. Will the gentleman yield?

Mr. SIMMONS. I will.

Mr. TILSON. How much is recommended for the purchase of land to complete the Rock Creek Parkway connection between Potomac Park and Rock Creek Park?

Mr. SIMMONS. I expect to come to that later; but we are carrying this year a million dollars against $800,000 last year and $600,000 the year before.

Mr. TILSON. How is that paid?

Mr. SIMMONS. Out of the District revenue. For the actual work in Rock Creek Park we have given them this year $32,000

for material and $52,000 for labor in order that the driveway under Calvert Street Bridge may be completed during the coming year.

These additional betterments can be made out of 1930 estimated revenues.

It is the consensus of opinion that the city should purchase and begin the development of a municipal center. The President has approved the plan to purchase two blocks south of the present Judiciary Square. I have introduced the legislation that will authorize the appropriation of the needed moneys. The District has the money to pay the cost of this land purchase if the legislative committee will secure the authority for the appropriation to be made. I would like to see the appropriation carried in the last deficiency bill of this Congress to purchase the land and begin plans for the construction of this plant.

The expenditures carried in this bill by way of supplemental estimates plus the proposed expenditures for the municipal center will probably reduce the surplus as far as it should be reduced at this time.

I have introduced a bill authorizing the appropriation of $10,000,000 for additional school buildings and grounds. The bill is without condition as to when the appropriations are to be made or where schools are to be located or the kind of schools. It leaves the Congress free each year to appropriate to meet the needs then demonstrated. It binds neither the Congress nor the Board of Education to a fixed program for a series of years. It will allow the Congress to meet every situation as it arises, and in my judgment is the best way to secure the continuance of an efficient modern school system in this city.

Commenting upon this bill, the Washington Times on January 17, 1929, editorially stated:

Mr. SIMMONS has children of his own in the public schools of Washington, and he has personally studied conditions. He realizes that congestion in the schools is serious and that thousands of school children are being deprived of their rightful opportunities. He knows, beyond question, that many new school buildings are needed, and that many of those now in use are antiquated and practically unfit for pupils and teachers, lacking even proper sanitary and heating facilities.

I prefer to state my own position and ideas on the District schools. In certain parts of the city there is congestion due to rapid development of residential areas that could not have been anticipated. Adequate steps are being taken to relieve those conditions. There are 81,000 seats now in the District schools. When the building program now under way and carried in the bill is completed there will be a total of 90,000 seats. There are not to exceed 75,000 pupils in the District schools. So that there is space in the District schools for every student. The difficulty has been that in the shifting of the population, and the necessity for maintaining independent schools for both white and colored, often in the same neighborhood, that congestion has arisen in certain areas. That is being corrected, but on the whole the Washington schools are not congested, and no child is being deprived of educational opportunities in the District because of the building situation.

New buildings are needed to meet the requirements of a growing city; likewise, a policy of building replacements will be carried out. These conditions are to be expected in a growing, prosperous city. I do not see the schools in the gloomy way that this editor does. The condition is not as he describes it.

As an indication of the progress that is being made, let me cite one situation. In 1920 there were 360 part-time classes in the District schools. That number has now been reduced to 221, all of which are first or second grade pupils. The entire tendency now among school people is toward shorter school hours for the younger pupils. No material harm is being done these children. The condition of the schools is the best it has been for a long series of years, and they are constantly improving.

This bill provides for two additions to existing schools, not carried in the bill as it originally came to us—Parkview, $265,000, and Buchanan, $120,000. Estimates for these two schools were sent to the Congress by the Bureau of the Budget at the request of this committee. This committee wants to build schoolrooms, and no items have been denied that carried schoolrooms save an addition that was asked for the Lovejoy School. This is a colored school in a predominantly white neighborhood. The committee held conferences with school and citizen representatives of both races, and it was agreed by all that the addition there should not be carried in this bill; that the entire situation would be studied and a more satisfactory plan devised for the extension of both school systems in that area. The item for land to be added to the Giddings School contemplated the tearing down of both the Lincoln and Giddings Schools, with a total of 20 rooms, and their replacement with a new building. The buildings, while old, are serviceable and will be for a number of years. The plan would not increase the available classrooms. Accordingly that item was rejected, with the suggestion that in the study of the Lovejoy situation these buildings might be conserved and a platoon school built elsewhere for colored pupils. The bill also carries $100,000 for a site for a colored junior high school in this general area.

The Washington Times of January 17, 1929, editorial, elsewhere referred to, makes this statement:

The very committee of which Mr. SIMMONS is a valuable and prominent member readily accepts the dictates of the Bureau [of the Budget] even when it knows beyond question that the bureau should be overridden.

That statement is not true. The Bureau of the Budget is a branch of the Federal Government. It has fixed and definite duties to perform. It performs them. The Budget Bureau does not dictate to the committee. When the committee feels that the Budget is wrong, the committee overrides its proposals and follows its own judgment. Likewise, the Budget readily cooperates with this committee on this and other bills, as is shown by their acceptance of our request for additional estimates totaling $1,674,000. The difficulty has been that the District officials, as shown by the hearings, have failed to fully cooperate with the Budget in making up the items of this bill.

The Budget shares the view of this committee that more schoolrooms should be provided and fewer accessories in proportion to the total of the bill. New elementary rooms are needed in the area where the Business High School now is. With the abandonment of that school as contemplated by the erection of a new Business High School, the Budget felt that that building should be devoted to elementary school uses and the classroom condition in that area relieved. They have so provided in the bill. In that decision we concur. If at a later date a better use can be made of the building the provision can be changed. In the meantime we will not be losing on the number of elementary classrooms devoted to classroom work.

Since September 1, 1928, 73 new schoolrooms have been opened with sitting space for 2,100 pupils. Buildings now appropriated for, for which plans are being made or which are in the process of construction, provide for 132 additional rooms and additional sitting of 4,036 pupils. This bill carries the initiation of projects that will provide seating capacity for 3,343 pupils. The increase in school attendance this last year was 1,500. As rapid progress is being made in the building program as is warranted. [Applause.]

Unless there are questions about the bill I will ask unanimous consent to print the report on the bill as a part of my remarks.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to extend his remarks by printing a report of the bill. Is there objection?

There was no objection.

Mr. SIMMONS. Mr. Chairman, I reserve the balance of my time.

The report is as follows:

[H. Rept. No. 2151, 70th Cong., 2d sess.]

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1930

Mr. SIMMONS, from the Committee on Appropriations, submitted the following report, to accompany H. R. 16422:

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1930:

SCOPE OF THE BILL

The bill embraces all regular annual appropriations chargeable partly to the Treasury of the United States and partly to the revenues of the District of Columbia, including appropriations on account of park areas under the jurisdiction of the Director of Public Buildings and Public Parks, the National Capital Park and Planning Commission, the Zoological Park, and for certain work being performed under the supervision of the Engineer Department of the Army.

APPROPRIATIONS AND ESTIMATES

The estimates of appropriations upon which this bill is based were submitted by the President in the Budget for the fiscal year 1930, and will be found in detail in that document under Chapter XIII, pages 1309 to 1426, inclusive, and in supplemental estimates submitted in House Document No. 515.

There follows a summary of the regular annual appropriations for 1929, the Budget estimates for 1930, including the supplemental estimates, and the amounts proposed in the bill for 1930, separated in several funds so as to indicate in a general way the sources of revenue from which the appropriations will be met. The totals of the permanent annual and indefinite appropriations—amounts for which it is not neces-

sary to carry in the annual appropriation bill—are shown in the table at the end of the report and included in the grand total so as to show the final figures affecting the fiscal affairs of the District of Columbia:

Source of revenue	Appropriated, 1929	Budget estimate, 1930	Proposed for 1930	Increase (+) or decrease (−) for 1930 as against 1929	Decrease under Budget estimates
Payable from gasoline-tax fund	$1,802,900	$1,600,000	$1,565,600	−$237,300	$34,400
Payable from water revenues	1,531,710	1,495,330	1,495,330	−36,380	----------
Payable from District revenues, derived from taxes on real estate, tangible and intangible personal property, public utilities, banks, etc., and from miscellaneous sources	25,302,698	26,461,792	26,152,220	+849,522	309,572
Payable from U. S. Treasury	9,000,000	9,000,000	9,000,000	----------	----------
Total, regular annual appropriation	37,637,308	38,557,122	38,213,150	+575,842	343,972

The regular annual appropriations under which the District of Columbia government is operating for the fiscal year 1929 total $37,637,308, which includes $12,100 contained in the second deficiency act of 1928. The amount recommended for the fiscal year 1930 as contained in the President's Budget (and including the supplemental estimates amounting to $1,674,000) total $38,557,122. The amount that has been recommended by the committee in the accompanying bill is $38,213,150, an increase of $575,842 over the 1929 appropriations, and a decrease of $343,972 under the total Budget estimates submitted for the next fiscal year. The following table will show the distribution of these figures between the various divisions and services of the municipal government. An explanation of the committee's action in each instance appears under the appropriate heading in this report, and an itemized tabulation of the figures appears at the end of the report:

	Appropriations for 1929 (including deficiency amounts contained in the second deficiency act of 1928)	Budget estimates for 1930	Recommendations for 1930	Increase (+) or decrease (−) for 1930 as compared with 1929 appropriations	Increase (+) or decrease (−) recommended in the bill as compared with the Budget estimates
Salaries (including $3,800 in second deficiency act, 1928, and $240,000 in supplemental estimates for 1930)	$2,166,865	$2,609,701	$2,615,679	+$448,814	+$5,978
Contingent and miscellaneous	223,700	275,916	274,701	+51,001	−1,215
Street and road improvement and repair, and bridges (including $160,000 in supplemental estimates for 1930)	4,078,460	3,782,400	3,745,500	−332,960	−36,900
Sewers	1,526,000	1,451,000	1,476,000	−50,000	+25,000
Collection and disposal of refuse	1,576,740	1,613,900	1,613,900	+37,160	----------
Public playgrounds	190,610	198,060	198,060	+7,450	----------
Electrical department	1,140,180	1,145,055	1,140,430	+250	−4,625
Public schools (including $494,000 contained in supplemental estimates for 1930)	12,150,530	12,087,580	11,846,000	−304,530	−241,580
Metropolitan police	3,141,545	3,129,190	3,083,950	−57,595	−45,240
Fire department	2,130,015	2,209,140	2,171,790	+41,775	−37,350
Health department	399,455	425,590	427,590	+28,135	+2,000
Courts and prisons	790,693	846,380	842,340	+51,647	−4,040
Public welfare (including $150,000 contained in supplemental estimates for 1930)	4,322,020	4,529,580	4,486,580	+164,560	−43,000
Miscellaneous	230,400	232,900	232,900	+2,500	----------
Public buildings and public parks	1,006,335	1,102,400	1,139,400	+133,065	+37,000
National Capital Park and Planning Commission (including $400,000 supplemental estimate for 1930)	850,000	1,000,000	1,000,000	+150,000	----------
National Zoological Park (including $220,000 supplemental estimate for 1930)	182,050	423,000	423,000	+240,950	----------
Water service	1,531,710	1,495,330	1,495,330	−36,380	----------
Total regular annual estimates	37,637,308	38,557,122	38,213,150	+575,842	−343,972

SUPPLEMENTAL ESTIMATES

The original estimates submitted to the committee for its consideration amounted to $36,883,122, which represented a reduction of $754,186 under the current appropriations. The estimates as they first appeared for examination were lacking in many important items of a forward-looking character for improvement and development purposes. Investigation by the committee showed that, exclusive of a reserve cash working balance of $4,000,000 and a reserve of $1,000,000 to offset items under new law and possible deficiencies in current or prior year appropriations, there would still be a net cash surplus of revenues to the credit of the District of Columbia approximating $5,000,000. The commissioners, upon invitation by the Bureau of the Budget, had submitted to the bureau after the Budget of $36,883,122 had been approved, supplementary estimates which were not approved because of the type of a number of the items submitted, among them being provision for additional positions and salary increases. After this refusal, the Bureau of the Budget suggested that an alternative supplementary list be submitted, which was to include items more in the nature of permanent public improvements in the District. This the District Commissioners failed to do. The subcommittee, at the hearings, did not get any justification for the lack of planning in this respect. Having in mind the large idle cash surplus to the credit of the District of Columbia, and believing that the taxpayers of the District were entitled at least to the expenditure of a portion of this fund upon necessary projects from which they would derive a deserved civic benefit, the committee, after indicating the nature of improvements which it would consider, obtained from the District officials an estimate of primary items of importance totaling $4,979,700, paralleled by a secondary group amounting to $1,630,000, making a total of $6,609,700. The committee then cooperated with the Bureau of the Budget, and as a sequence to such action there was submitted to Congress a supplementary list of estimates (H. Doc. No. 515) covering important public improvements amounting to $1,674,000.

These supplemental estimates covered amounts for the library service, concentration of the highways department shops, repairs to Anacostia Bridge, school sites and buildings, Gallinger Hospital nurses' home, public parks, and a building at the National Zoological Park. The committee has recommended all of these items which makes the total of the bill (as heretofore stated) $575,442 over the current appropriations. Two additional projects, a municipal center (estimated at $2,400,000) and a new police court building (estimated at $300,000), were also given serious consideration. Action thereon has not been taken at this time due to lack of legislation for the civic center, and the opinion that a project of the magnitude of the police court building quite naturally is linked to the plans for a new civic center. Proposed legislation, recently introduced in the House of Representatives, is pending at the present time, and it is anticipated and hoped that action will be taken during this Congress, both of authorization and appropriation for this project.

FEDERAL CONTRIBUTION

The committee has recommended the Federal contribution of $9,000,000, which amount has been carried for the past several years. No increase in the current tax rate of $1.70 is made necessary by the total of the appropriations recommended in the accompanying bill. There has been recommended in the bill a provision continuing for the fiscal year 1930 the same tax rate on real estate and tangible personal property as has been maintained during the current year. The report made recently by the United States Bureau of Efficiency, at the request of the Committee on Appropriations, upon the fiscal relations of the District of Columbia in the opinion of the committee clearly discloses, first, that the contribution of the Federal Government meets fairly and generously all obligations toward the District government by the United States, and, secondly, it shows that when compared with other cities of similar size the District is in a very advantageous situation as to its tax burden and general fiscal condition. The committee finds no reason for changing the method of the Federal contribution, in increasing the amount, or decreasing the District's tax rate. Rather, as has been indicated by the committee's action in its recommendations in this bill, it feels that the District should very properly go ahead with a program of municipal betterments.

SALARIES OF EMPLOYEES

Last year, when the committee had the estimates for the District of Columbia under consideration, it went particularly into the question of the salaries of employees of the District of Columbia, under the classification act of 1923, operative at that time. The salary rates of teachers, firemen, or policemen were not included in the study, as these were and are all covered by legislation apart from the act mentioned. A comparison was made of the average number of employees, the average salary rates, and the total salary obligations for all employees in the District of Columbia, listed under the different Federal establishments, including the District of Columbia, for the years 1927, 1928, and 1929. With the exception of employees under public buildings and public parks of the National Capital—which service was hardly comparable, as most of those employees are grouped

under the custodial grades—the average salary for the employees of the District of Columbia was the lowest of that for the 33 departments and bureaus listed. The committee then ascertained the total amount that would be necessary to bring the salaries of the District employees up to the average salary rates of the grades specified in the then applicable classification act of 1923.

The amount having been estimated at $340,750, the committee at that time determined to appropriate this amount of money over a 2-year period, distributing it under the respective bureaus and divisions of the local government. A sufficient amount of money was included in the bill and appropriated last year over the Budget estimate, and there was actually expended or allocated during the current fiscal year, prior to the enactment of the Welch Pay Act, $175,641. The committee's action, of course, in planning this 2-year program of salary increases, was not predicated upon the passage and application of the pay rates contained in the Welch Pay Act. When this law became operative the effect of its provisions, so far as the salaries of the employees of the District of Columbia were concerned, was to add an additional net amount of $557,802 to the pay roll of the District government over and above the original $175,641. The total of these two amounts, therefore, $733,443, represents what actually has been obligated and allocated for salary increases during the current year, and the salary amounts covered in this bill for the next fiscal year maintain this schedule. When the District Commissioners submitted their supplemental estimates to both the Bureau of the Budget and to the committee this year, they included an item of $165,000, the purpose of which was to finish the second part of the 2-year salary-increase program which the committee had embarked upon last year. The Bureau of the Budget eliminated this estimate in view of the subsequent effect of the Welch Pay Act, and the committee in reporting out this bill has sustained that action. From data, testimony, and tables contained in the hearings this year (pp. 51–62) it will be observed that, in comparison with the Federal departments, the average salary rates of the District government employees are most favorable.

RETIREMENT OF DISTRICT OF COLUMBIA PERSONNEL

Officers and employees of the municipal government of the District of Columbia are eligible to the retirement provisions of the act of May 22, 1920, as amended, with the exception of school-teachers and others specially excepted from the provisions of the act. The District personnel contributes to the retirement fund by salary deductions the same as Federal personnel. Until the fiscal year 1929 no appropriation had been made by the Federal Government toward financing the accrued liability of the Government in the retirement fund, which accrued liability is estimated at approximately $400,000,000. For the fiscal years 1929 and 1930 Congress has appropriated approximately $20,000,000 each year toward financing the accrued liability of the Government. Included in this stated accrued liability of the Federal Government is the portion of the liability which was created by the participation of District of Columbia employees.

In order that the financing of that portion of the accrued liability which is properly chargeable to District of Columbia personnel may be borne by the District of Columbia instead of by the United States, the committee has recommended a separate section in the bill transferring from District revenues the sum of $300,000, composed of $150,000 each for the fiscal years 1929 and 1930, to the credit of the United States. For the next fiscal year and thereafter so long as it may be necessary, it is anticipated that a regular item for this purpose will be budgeted and carried annually to meet the District's share of the accrued liability. The sum of $150,000 for each of these years is based upon as accurate an estimate as it is now possible to make of the portion that should be borne by the District. As better data become available in future years the annual amount can be readjusted to meet the situation of the accrued liability then existing or to adjust any underestimate or overestimate of the District's share year by year.

ALLOWANCES TO EMPLOYEES FOR QUARTERS, MAINTENANCE, ETC.

At the various institutions of the District of Columbia for many years in the past it has been the practice and custom to allow quarters, maintenance, etc., for employees who are required to live at the institutions. The necessity for a large number of persons to live at the institutions is very obvious. The classification act of 1923 provides that in fixing salaries these maintenance allowances shall be taken into consideration. The rates of allowances and values in effect have been criticized by the Comptroller General as being too low in many cases. In order that these rates may be reviewed by the Personnel Classification Board, the central agency for allocating positions, and determination by them of the adjusted scale of allowances, the committee recommends a paragraph under the Board of Public Welfare continuing the present scale of allowances in effect pending a review and determination of the rates by the board. The institutions involved include the workhouse, reformatory, jail, hospitals, homes, and the various correctional institutions, and a proper and detailed study of the entire field will enable the board to evaluate the allowances in relation to the entire salary question.

CARE OF DISTRICT BUILDING

In the estimates for the care of the District Building, which item provides for the necessary expenses of maintenance and operation, including repairs, fuel, light, and power, there was contemplated the elimination of one employee at $1,428. This employee was one of five engineers, and it appeared his services were quite necessary. The committee, therefore, increased the appropriation to the extent necessary to include this position.

LICENSE BUREAU

Under the license bureau the committee has inserted the following proviso:

"*Provided*, That hereafter the superintendent of licenses of the District of Columbia shall not issue a registration certificate or identification tags for any motor vehicle upon which any personal taxes are due and unpaid to the said District.

In testimony submitted to the committee it was stated that a practice existed in the District where some of the inhabitants give a fictitious street address when applying for their registration certificate or identification tags for their automobiles, and this practice naturally obviates the collection later of personal taxes upon the vehicle. By the adoption of the above proviso, this subterfuge will be stopped and it has been estimated that approximately $70,000 additional in personal-property taxes will come into the District treasury.

OFFICE OF THE CORPORATION COUNSEL

The committee has increased the Budget estimate for the office of the corporation counsel by adding $1,500 to cover the salary of a messenger. At the present time there is no such employee in this office, and it was stated that such services are much needed.

HIGHWAYS DEPARTMENT

Including a supplemental estimate of $205,000, the amount recommended for the highways department for the next fiscal year is $420,690, which is the Budget estimate, and an increase over the current year of $222,840. The purpose of the supplemental estimate of $205,000 is to provide for the removal of the highways department shops, etc., to the Bryant Street pumping station, and in this connection, to make certain other desirable economical arrangements for servicing, repairing, and housing municipal automobiles. For many years the store yards and shops of the highways department have been located on United States territory in the center parking of Canal Street, between Second Street west and South Capitol Street. This property was transferred to the United States Botanic Garden under the act of May 11, 1922. The Botanic Garden development requires the early removal of the highways department shops to another location. It is proposed to consolidate the shops of the highways department with those of the water department at the Bryant Street pumping station. In order to accomplish this purpose, provide for the repairs of highways department automobiles at the District automobile repair shop across the street from the Bryant Street pumping station, and provide housing for these automobiles, it will be necessary to provide additional construction as follows:

Addition to District automobile repair shop	$40,000
New garage	135,000
Shop construction, including asphalt and cement laboratory, and removal of equipment from old to new location	30,000
Total	205,000

The additional construction will be on land already owned by the Government. It is contemplated also that the garage and shops of the trees and parking department, in buildings and on the grounds of the Gallinger Municipal Hospital, shall be moved to the Bryant Street pumping station.

MUNICIPAL ARCHITECT'S OFFICE

The committee by its own action has increased the Budget estimate for the municipal architect's office by $3,800, to provide for a manager of the District repair shop. At present the shop has no real executive head and it is believed that an employee with such ability to direct the large amount of repair work done under the District government will aid materially in increasing the efficiency of this service.

FREE PUBLIC LIBRARY

The total recommended for the Free Public Library and its branches is $390,940, which includes a supplemental estimate of $35,000. This is an increase for 1930 over 1929 of $58,005. The supplemental estimate proposes the acquisition of a site, to be approved by the Commissioners of the District and the board of library trustees, for a building for a northeastern branch library. The board of library trustees has considered that a branch library in the northeastern section of the city is most urgently needed, directing attention to the fact that in this section there is 1 junior high school, 18 graded schools, 3 parochial schools, the Gallaudet College, as well as many churches, and other organizations and institutions. The proposed library will serve a large commercial and residential area, and it is expected that when completed this branch library will benefit about 100,000 people.

RECORDER OF DEEDS

At the present time all expenditures under the office of the recorder of deeds are accountable only to the General Accounting Office and are not reviewed by the auditor of the District of Columbia government. This situation has existed for a number of years and at times has created conditions that do not lend themselves to the proper efficiency of this office. The committee is of the opinion that the expenditures of this office should, like all other units under the District government, receive the prior approval of the Commissioners of the District. Accordingly, a proviso has been inserted in the bill under the office of the recorder to bring about such an administrative review before audit by the General Accounting Office.

EMPLOYMENT SERVICE

The committee has increased the Budget estimate for personal services and miscellaneous and contingent expenses for maintaining a public employment service for the District by replacing one employee at $1,650, which had been eliminated. The committee is of the opinion that this service is rendering a distinct help in the District of Columbia in placing jobless individuals in positions, and that reducing the staff by one employee would work a real hardship, especially in view of the fact that the total pay roll represents only 8 positions, 2 Federal and 6 municipal.

STREET AND ROAD IMPROVEMENT AND REPAIR

The total recommended for the various items for street and road improvement and repair in the District of Columbia is $3,745,500, which includes a supplemental estimate of $120,000. These figures represent a reduction of $332,960 under the current year and $36,900 under the Budget estimate. The following table sets forth at a glance the different funds appropriated for under the general amount shown above:

Street and road improvement and repair

Object	Appropriations for 1929	Estimates for 1930	Amount recommended in the bill for 1930	Increase (+) or decrease (−), bill compared with 1929 appropriations	Increase (+) or decrease(−), bill compared with 1930 Budget estimates
Assessment and permit work, sidewalks, curbs, and alleys	300,000	300,000	300,000	----------	----------
Paving roadways under permit system	40,000	30,000	30,000	−10,000	----------
Gasoline tax, road and street fund	1,802,900	1,600,000	1,565,600	−237,300	−34,400
Grading	50,000	----------	----------	−50,000	----------
Condemnation—streets, roads, alleys, and purchase or condemnation of small parks	5,000	5,000	5,000	----------	----------
Streets, avenues, roads, or highways: Opening, widening, or extension of	(1)	(1)	(1)	----------	----------
Streets, avenues, and alleys, repairs	1,475,000	1,475,000	1,475,000	----------	----------
Sidewalks and curbs around public reservations, etc	10,000	15,000	15,000	+5,000	----------
Bridges, construction and repair (including $120,000 contained in a supplemental estimate)	77,060	207,500	207,500	+130,440	----------
Reconstruction and replacement of bridges	178,000	----------	----------	−178,000	----------
Trees and parkings	112,500	115,000	112,500	----------	−2,500
Public convenience stations	28,000	34,900	34,900	+6,900	----------
Total street and road improvement and repair	4,078,460	3,782,400	3,745,500	−332,960	−36,900

[1] Indefinite.

For paving, repaving, and grading, under the gasoline-tax road and street fund, the committee has eliminated two improvements which were contained in the estimates when they were examined. These items are the paving of Western Avenue NW., from Forty-first Street to Chevy Chase Circle, $21,000; and the paving of Admiral Barney Circle SE., $31,000. The committee, as is its custom, made the usual automobile trip over all street improvements contemplated in this bill and were unanimously of the opinion that from the present fair condition of these two projects they could very properly be postponed for a while.

The supplemental estimate of $120,000 proposes the reconstruction of the floor system and handrail of the Anacostia River Bridge. This bridge was built in 1908 and consists of six steel arch spans and a draw span. The roadway, 35 feet wide with two 6.5-foot sidewalks, carries two street-car tracks. The asphalt surface of the floor has rolled so that in places the curb height is reduced to 1 inch. This is a very inadequate protection to vehicular traffic, and the railing is not of sufficient strength safely to withstand the impact of modern traffic. The entire floor system is in need of replacement at a lower level to provide an increased height of curb.

SEWERS

The Budget estimate of $1,451,000 for the different activities of the sewer service in the District has been increased by the committee $25,000 to provide for continuing the construction of the Stickfoot Branch storm water sewer, a project that is, according to testimony submitted by interested citizens in that locality, quite desirable. The other funds remain approximately the same and propose the same amount of work for next year as is called for by the present program. The item for assessment and permit work shows an apparent reduction of $70,000, but this is offset by making certain unexpended balances of the current appropriation available for 1930.

The total amount recommended for the public schools, their maintenance, personal services, and buildings and grounds for the next fiscal year is $11,846,000, which includes a supplemental estimate of $494,000 for additional schools and school sites. The recommendations represent a reduction of $304,530 under the current year and $241,580 under the Budget estimates. This reduction, however, is merely a postponement to a future date of several school projects until certain elements incident to their construction are worked out.

Personal services of administrative and advisory officers: The committee has added $5,000 over the Budget estimate for the appointment of what is to be known as a business manager for the school department. During the hearings last year it was developed that there was lacking in the system an administrative business manager to supervise only the business administration and expenditures. A joint hearing was had between the House Subcommittee on Appropriations and the Senate Subcommittee on Appropriations handling District appropriations, with school officials and the school board, at that time. They were asked to study the suggestion of the creation of such a position and to report back this year. At the conclusion of the hearings this year it was decided to go ahead with the appointment of such a manager, to be chosen by the District Commissioners, the school board, and the superintendent of schools, the manager to be preferably one with an engineer's qualifications. By following out this proposal, it will relieve the superintendent of many matters of a business nature which he has to determine at the present time and concentrate under one proper supervision the manifold construction, engineering, and mechanical questions which naturally arise in carrying out the school-expansion program.

Teachers: The estimates examined by the committee proposed 33 new teacher positions, as follows: Eight, class 1A, at $1,400; 4, class 2A, at $1,800; 8 class 2C, at $2,200; and 13, class 3A, at $2,200. Of the number of teachers requested (33) the committee has recommended in the accompanying bill 15, or a net reduction of 18. Those included in the bill are: One, class 1A, at $1,400; 4, class 2A, at $1,800; 3, class 2C, at $2,200; and 7, class 3A, at $2,200. Those elminiated are 7, class 1A, at $1,400; 5, class 2C, at $2,200; and 6, class 3A, at $2,200. Those additional teachers recommended by the committee represent positions necessary in the establishment of new classes. Those additional teachers requested that were eliminated by the committee represented teachers that were not for new classes but in addition to their regular staff presumably because of oversized classes. The committee in making the reduction has followed the same policy that it adopted last year in following the recommendations contained in the school report of the United States Bureau of Efficiency, at which time it was quite apparent that there were ample teachers to take care of operating classroom needs. The situation presented to the committee this year indicates nothing to change this policy, except the appointment of teachers to new classrooms.

Public works: The total amount for public works (which includes both the building of new schools, additions to existing schools, and the purchase of new sites for proposed future schools) which is recommended for the school program for the next fiscal year is $2,242,000. This amount includes a supplemental estimate of $494,000.

For the erection of school additions and building new schools there will be available for 1930 a total of $1,835,000. This amount covers 10 actual projects, as follows:

Project	School	Amount
8-room addition and combination gymnasium and assembly hall.	Morgan School	(1)
Combination gymnasium and assembly hall.	John Eaton School	$50,000
Junior high school building (limit of cost, $500,000).	Reno section	200,000
Completing E. A. Paul Junior High School	Brightwood	250,000
Completing construction of elementary school building and combination gymnasium and assembly hall.	Nineteenth and Columbia Road NW.	225,000
Junior high school building (limit of cost, $500,000).	Vicinity of Kingsman School	200,000
Colored Health School	Undetermined	150,000
New Business High School (limit of cost, $1,500,000).	Site adjoining Macfarland Junior High School.	300,000
Addition to Park View School	Park View	265,000
4-room addition, including combination gymnasium and assembly hall.	Buchanan School	120,000
		1,835,000

[1] Unexpended balance.

School sites: For the purchase of sites for proposed new schools there is included in the bill $407,000, which contemplates the purchase of land, or portions of land, for eight new projects, the exact location of which is as yet undetermined.

POLICE DEPARTMENT

The bill carries a total amount for the police department of the District of Columbia of $3,083,950, which is a decrease of $57,595 under the amount for this year and a net reduction of $45,240 under the estimates contained in the Budget. The figures first presented to the committee included an amount of $36,300, involving the addition of 13 new privates at $1,800, 3 sergeants at $2,400, 1 lieutenant at $2,700, and 1 captain at $3,000. The committee has disallowed all of these 18 additional men for the force. It based its action upon the number of men now on the force, believing it to be amply sufficient properly and efficiently to patrol the city. The District force, under its present number, compares most favorably with other metropolitan cities. A report, made recently by the United States Bureau of Efficiency, states:

"Washington has a greater number of policemen per capita, regardless of the fact that it has no large foreign-born population and that it is neither an industrial center nor a seaport, than the cities of Chicago, Philadelphia, Detroit, Cleveland, St. Louis, Baltimore, Pittsburgh, Buffalo, Milwaukee, Minneapolis, New Orleans, Cincinnati, Kansas City, Mo., Indianapolis, and Toledo. Its per capita is only exceeded by New York City, Boston, and Newark."

This report does not take into consideration an additional force of 71 park police maintained under the Superintendent of Public Buildings and Grounds, the police force at the Capitol, House, and Senate Office Buildings, and the numerous guards stationed at all Federal buildings. If this additional police protection were taken into consideration no city in the United States could compare with the number of policemen per capita. The committee has also inserted a provision reducing the amount for extra compensation to members of the force who may be mounted on horses from $450 to $360 per annum; those mounted on bicycles from $70 to $50 per annum; and extra compensation for motor vehicles from $480 to $312, being of the opinion that the amount authorized under current law to be excessive. In reducing the estimate by 18 positions a corresponding reduction of $1,350 was made in the fund for uniforms.

A reduction of $4,000 in the estimate for the house of detention has also been made because in the original estimate for this service an allocation of $15,000 was made for rental, whereas recently the house of detention has been able to obtain quarters at a rate for the next fiscal year totaling $11,000 per annum.

Last year there was appropriated a sum of $52,000 for the erection of a building to be known as the fifteenth police precinct station house. No construction has as yet started on the proposed station, and in the conduct of the hearings this year officials of the police department failed to impress the committee with the immediate need for such a station house. Accordingly the committee has made available $2,000 of the appropriation for this purpose for the acquisition of additional land for the final site for this house when conditions warrant its erection and reappropriated and transferred the remaining $50,000 to another item in the bill.

FIRE DEPARTMENT

The committee has reduced the estimate presented to it for the fire department $41,775 under the current year and $37,350 under the estimate contained in the Budget, making a total amount available for the department for next year of $2,171,790. This reduction includes the elimination of 18 new firemen for six months, totaling $17,000; some new fire gear amounting to $21,000; and the uniform appropriation by $1,350. The committee substantiates its action as follows: Last year when the bill was before the committee for its consideration an amount was recommended for a site and for the erection and furnishing of a building for an engine company to be located in the vicinity of Sixteenth Street and Colorado Avenue NW. Injunction proceedings precluded the District officials from proceeding with this program, and the matter is still in the courts. Eighteen additional men and the requisite fire gear were recommended in the amounts carried in the bill for this new fire house. Despite the fact that there has been no fire house at which to station these men, they were appointed shortly after the money became available. In the estimates originally submitted to the committee, as has been stated, there were 18 new men included for manning a proposed fire house at Connecticut and Nebraska Avenues, which is recommended in the bill. The committee has eliminated these new positions and the apparatus and expects the department to use at this latter station the personnel and apparatus granted last year for the station the construction of which is held up temporarily pending the outcome of litigation.

HEALTH DEPARTMENT

The bill carries a total amount of $427,590 for the health department of the District, which is an increase of $28,135 over the current year. All of this increase is absorbed by salary readjustments under the Welch Pay Act. The committee has increased the appropriation for maintaining a child hygiene service by adding $2,000 to the Budget estimate, making the amount available for this purpose for 1930 $54,000. In reality this is an increase of $4,000 over the current year. The department contemplates the establishment of an additional hygiene station. The amount in the estimate did not appear sufficient, so the committee of its own volition raised the amount as indicated.

COURTS AND PRISONS

For the District courts, their expenses, and the support of convicts of the District of Columbia a total of $842,340 has been recommended for the year 1930. This amount reflects an increase of $51,647 over the current year and a decrease of $4,040 under the Budget estimates.

Juvenile court: The bill carries $65,740 for the activities of the juvenile court and its probation officers. The committee eliminated as unnecessary a proposed additional financial clerk at $1,620 per annum.

Police court: The committee reduced the amount for the police court by $2,420, making the total appropriation for 1930 $142,620. The committee's action in making the reduction referred to eliminated one night court clerk at $1,920, whose services were no longer necessary by reason of the committee's action last year in closing the night traffic court, and by reducing the general maintenance fund by $500. The committee was informed last year that by closing the night traffic court it would cause a reduction both in the amount needed for fuel and for gas, electric light, and power. In the estimated allocations under this fund for 1930 the amounts remained practically the same.

Municipal court: The Budget estimate of $83,270 has been recommended for the municipal court, an increase over this year of $8,734. This increase includes an additional bookkeeper at $1,800, the balance being absorbed by Welch Pay Act increases.

Supreme Court of the District of Columbia: Including a supplemental estimate of $10,000, covering the salary of an additional judge authorized by the act of December 20, 1928, the amount estimated in the Budget for the conduct of the Supreme Court of the District was $292,520. No additional employees are recommended over this year, the differentiation in amount between 1929 and 1930 being covered by salary increases under the Welch Act.

PUBLIC WELFARE

Including a supplemental estimate of $150,000 for a nurses' home at Gallinger Municipal Hospital under an estimated cost not to exceed $325,000, the estimates submitted for the various public-welfare activities total $4,529,580. The committee has recommended $4,486,580, which is an increase of $164,560 over 1929 and an apparent decrease under the Budget of $43,000. Actually, however, the committee increased the Budget amount by making available $50,000 of an unexpended appropriation for the purposes of the construction of permanent buildings at the reformatory, and thus releasing this amount from the set-up. This increase of $7,000 is covered by raising the item for a home for the superintendent at the Home for the Feeble-Minded from $15,000 to $20,000, and by increasing the appropriation for the Temporary Home for Union Ex-Soldiers and Sailors, $2,000, to cover the salary of a night watchman and repairs.

The committee has increased the amount to be available from the various funds at the District Reformatory, to act as a revolving fund, and known as the working capital fund, from $25,000 to $50,000. This fund was created last year upon recommendation by the Bureau of Efficiency, the purpose being to provide certain small self-paying industries at this institution to keep the men occupied and provide some means of remuneration for their labor. The initial success of this idea has induced the committee to increase the fund for the purpose of adding several other industries at the institution.

PUBLIC BUILDINGS AND PARKS

The committee has recommended for public buildings and parks for the District a total of $1,139,400, an increase of $133,065 over the current year and an increase of $37,000 over the Budget estimates. The item for salaries under public parks reflects a Budget increase of $49,540 over 1929. This increase covers $44,280 for increases under the Welch Act, and $5,260 for an increase of five laborers at the minimum rate. For salaries of the park police the bill carries $152,000 for 151 men, an increase of $2,000 and 1 officer for next year over 1929. Including a supplemental estimate of $40,000, and an increase by the committee over the Budget estimate of $37,000, the appropriation for general expenses for public parks is $570,000. The supplemental estimate is an initial amount for beginning the construction of a sidewalk and protective railing along the sea wall of East Potomac Park. At the present time a sidewalk and an iron railing now encircle the sea wall at Hains Point. The purpose of this estimate is to continue the walk and railing a considerable distance on both the Washington Channel and Potomac River sides of East Potomac Park. The $32,000 added by the committee over the Budget estimate covers an item for the purchase of road metal for the parkway between Massachusetts Avenue and the Zoo, which was eliminated from the estimates by the committee last year because the material would not be used at that time. An additional $5,000 was added by the committee for temporary labor.

NATIONAL PARK AND PLANNING COMMISSION

The original estimate submitted to the committee for the National Park and Planning Commission for 1930 for the purchase of park areas

was $600,000, a reduction under the current year of $250,000. A supplemental estimate of $400,000 was received later for inclusion in the amount recommended for 1930, bringing the total up to $1,000,000. This supplemental estimate is to expedite the purchase by the National Capital Park and Planning Commission of lands for the proper extension of the park and playground system.

NATIONAL ZOOLOGICAL PARK

Including a supplemental estimate of $220,000, the amount recommended for 1930 is $423,000, an increase over the current year of $240,950. The supplemental estimate is to provide the necessary housing facilities for the proper exhibition of collections of reptiles, amphibians, insects, and other invertebrates. At present reptiles and amphibians must be kept in the lion house under conditions unsuitable for their care and exhibition. This amount will provide for the most pressing need at the Zoo.

WATER SERVICE

Washington Aqueduct: The amount recommended has been increased from $425,000 for 1929 to $441,000 for 1930. The increase of $16,000 is required to cover increases of salaries due to the Welch Act, amounting to $8,400, and to the increased amount of water which will be consumed in 1930, the treatment and pumping of which will cost $7,600 additional.

Salaries and maintenance: The amounts carried in the bill for salaries is $154,800, an increase of $10,440 due to the Welch Act, and for maintenance $365,000, an increase of $30,000, $25,000 of which is due to increased per diem wages under the wage scale of August 6, 1928, and $5,000 general increase to provide for unforeseen emergencies.

The amounts for extension of distribution systems, $250,000; installing water meters, $30,000; installing fire and public hydrants, $50,000; and replacement of old mains, $50,000; all remain the same as the current year.

For the extension of water mains in different sections of the city there are five projects contemplated, at a total cost of $154,532.

LIMITATIONS AND PROPOSED LEGISLATION

Limitations with respect to expenditures or legislative provisions, not heretofore enacted, are recommended as follows:

On page 2:

"* * * and the tax rate in effect in the fiscal year 1929 on real estate and tangible personal property subject to taxation in the District of Columbia shall be continued for the fiscal year 1930 * * *."

On page 4:

"*Provided*, That hereafter the superintendent of licenses of the District of Columbia shall not issue a registration certificate or identification tags for any motor vehicle upon which any personal taxes are due and unpaid to the said District."

On page 11:

"*Provided*, That no part of the appropriations contained in this act for personal services and other expenses of the office of the recorder of deeds shall be expended without the prior approval of the Commissioners of the District of Columbia, or under such regulations as the commissioners shall approve, and all expenditures from such appropriations shall be made and accounted for in the manner provided by law for the expenditure of other appropriations for the government of the District of Columbia."

On page 16:

"*Provided*, That the Commissioners of the District of Columbia are authorized, when in their judgment such action be deemed in the public interest, to contract for stenographic reporting services under available appropriations contained in this act."

On page 37:

"*Provided*, That beginning July 1, 1931, and thereafter, section 3 of the act of the Legislative Assembly of the District of Columbia, approved June 23, 1873, entitled 'An act to establish a normal school for the city of Washington' (sec. 42, ch. 57, of the Compiled Statutes in force in the District of Columbia), shall apply only to those graduates of the normal schools of the District of Columbia who shall at the time of their graduation rank within the first 25 per cent of their respective classes, arranged in order of their ratings received for their entire normal-school course."

On page 47, in connection with the appropriation for a new business high school:

"*Provided*, That upon completion of such building, the building now occupied by the Business High School shall be used as an elementary school for colored pupils."

On page 51, in connection with the appropriation for salaries of police:

"*Provided*, That hereafter no more than $360 per annum shall be paid as extra compensation to members of said force who may be mounted on horses, furnished and maintained by themselves; no more than $50 per annum as extra compensation to members mounted on bicycles; and no more than $312 per annum to members who may be called upon to use motor vehicles, furnished and maintained by themselves."

On page 60, in connection with the health department:

"*Provided*, That inspectors of dairy farms may receive an allowance for furnishing privately owned motor vehicles in the performance of official duties at the rate of not to exceed $480 per annum for each inspector."

On page 60:

"The health officer of the District of Columbia is hereby authorized and directed to transfer all the marriage records in the health department, within 15 days after the passage of this act, to the clerk of the Supreme Court of the District of Columbia, who shall thereafter have the same control and custody of such records as he has now of the marriage records in the said clerk's office."

On page 67:

"The practice of allowing quarters, heat, light, household equipment, subsistence, and laundry service to officers and employees of the government of the District of Columbia who are required to live at the several institutions of such District may be continued at the rates or values in effect on the date of the enactment of this act pending review and determination of rates or values by the Personnel Classification Board as provided by law."

On page 76, in connection with the appropriation for additional land at the District Training School:

"If the land proposed to be acquired can not be purchased at a satisfactory price the Attorney General of the United States, at the request of the Commissioners of the District of Columbia, shall institute condemnation proceedings to acquire such land, the title of said land to be taken directly to and in the name of the United States, but the land so acquired shall be held under the jurisdiction of the Commissioners of the District of Columbia as agents of the United States, and the expenses of procuring evidence of title or of condemnation, or both, shall be paid out of the appropriation herein made for the purchase of said land."

On page 96:

"SEC. 7. Of the appropriations for the fiscal years 1929 and 1930, respectively, toward financing the liability of the United States created by the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts amendatory thereof, the sum of $150,000 for each of such fiscal years shall be charged to the revenues of the District of Columbia and such sums shall be transferred from the revenues of the District to the credit of the United States on account of the retirement of District of Columbia personnel under such acts."

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1930

Comparative statement of the amounts appropriated for the fiscal year 1929, the Budget estimates for the fiscal year 1930, the amounts recommended in the accompanying bill for 1930

[NOTE.—Appropriations for 1929 include amounts in regular annual, deficiency, and other acts]

Object	Appropriations for 1929	Estimates for 1930	Amount recommended in the bill for 1930	Increase (+) or decrease (−), bill compared with 1929 appropriations	Increase (+) or decrease (−), bill compared with 1930 Budget estimates
SALARIES					
Executive offices, commissioners, clerks, etc	$247,380.00	$272,420.00	$272,920.00	+$25,540.00	+$500.00
District Building:					
Care of	63,070.00	68,626.00	70,054.00	+6,984.00	+1,428.00
Fuel, etc	34,500.00	37,500.00	37,500.00	+3,000.00	
Assessor's office	189,770.00	207,510.00	207,510.00	+17,740.00	
License bureau	19,320.00	19,820.00	19,820.00	+500.00	
Collector's office	43,550.00	46,450.00	46,450.00	+2,900.00	
Auditor's office (including $3,800 in the second deficiency act, 1928)	108,010.00	118,640.00	118,640.00	+10,630.00	
Corporation counsel's office	58,340.00	65,120.00	66,620.00	+8,280.00	+1,500.00
Coroner's office:					
Salaries	9,190.00	10,040.00	10,040.00	+850.00	
Contingent expenses	10,000.00	4,775.00	4,775.00	−5,225.00	
Weights, measures, etc., office of:					
Salaries	42,545.00	47,080.00	47,080.00	+4,535.00	
Contingent expenses	45,975.00	11,050.00	11,050.00	−34,925.00	

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1930—continued

Comparative statement of the amounts appropriated for the fiscal year 1929, the Budget estimates for the fiscal year 1930, the amounts recommended in the accompanying bill for 1930— Continued

Object	Appropriations for 1929	Estimates for 1930	Amount recommended in the bill for 1930	Increase (+) or decrease (−), bill compared with 1929 appropriations	Increase (+) or decrease (−), bill compared with 1930 Budget estimates
SALARIES—continued					
Engineering department:					
Highways department (including $205,000 contained in a supplemental estimate)	$197,850.00	$420,690.00	$420,690.00	+$222,840.00	
Sewer department	178,360.00	193,200.00	193,200.00	+14,840.00	
Trees and parking department	19,720.00	22,880.00	22,880.00	+3,160.00	
Chief clerk, office of	26,040.00	28,000.00	28,000.00	+1,960.00	
Central garage	4,890.00	5,240.00	5,240.00	+350.00	
Municipal architect's office	53,740.00	59,900.00	63,700.00	+9,960.00	+$3,800.00
Public Utilities Commission	72,230.00	76,520.00	76,620.00	+4,390.00	+100.00
Incidental expenses	4,200.00	1,700.00	1,700.00	−2,500.00	
Board of examiners, steam engineers	450.00	450.00	450.00		
Insurance, department of	18,090.00	19,560.00	19,560.00	+1,470.00	
Surveyor's office:					
Salaries	79,050.00	84,690.00	84,690.00	+5,640.00	
Surveys, permanent highway system, etc	3,000.00	3,000.00	3,000.00		
Employees' compensation fund	28,000.00	31,000.00	31,000.00	+3,000.00	
Compensation to injured employees		63,000.00	63,000.00	+63,000.00	
Director of traffic	29,600.00	39,040.00	39,040.00	+9,440.00	
Purchase, maintenance, etc., of traffic lights	45,000.00	43,700.00	43,700.00	−1,300.00	
Free Public Library, including branches:					
Salaries	240,035.00	265,640.00	265,640.00	+25,605.00	
Substitutes, employment of	6,000.00	6,000.00	6,000.00		
Sunday opening	3,000.00	3,000.00	3,000.00		
Miscellaneous expenses (including $35,000 contained in a supplemental estimate)	83,900.00	116,300.00	115,450.00	+31,550.00	−850.00
Register of wills:					
Salaries	67,560.00	73,640.00	73,640.00	+6,080.00	
Miscellaneous expenses	10,000.00	11,500.00	11,000.00	+1,000.00	−500.00
Recorder of deeds:					
Salaries	96,000.00	104,020.00	104,020.00	+8,020.00	
Miscellaneous expenses	14,500.00	14,000.00	14,000.00	−500.00	
Rent	14,000.00	14,000.00	14,000.00		
Total, salaries	2,166,865.00	2,609,701.00	2,615,679.00	+448,814.00	+5,978.00
CONTINGENT AND MISCELLANEOUS					
Contingent expenses, general	50,000.00	36,350.00	36,350.00	−13,650.00	
Printing annual reports	4,800.00			−4,800.00	
Printing and binding		70,000.00	70,000.00	+70,000.00	
Motor vehicles, purchase, maintenance, etc	112,000.00	109,816.00	107,951.00	−4,049.00	−1,865.00
Postage	21,000.00	23,000.00	22,000.00	+1,000.00	−1,000.00
Judicial expenses	4,500.00	3,000.00	3,000.00	−1,500.00	
Advertising, general	8,000.00	8,000.00	8,000.00		
Advertising notice of taxes in arrears	6,000.00	10,000.00	10,000.00	+4,000.00	
Public employment service	9,650.00	8,000.00	9,650.00		+1,650.00
Historical places, marking tablets	500.00	500.00	500.00		
Emergency fund	4,000.00	4,000.00	4,000.00		
Refund of erroneous collections, including $2,000 in the first deficiency act of 1928	3,000.00	3,000.00	3,000.00		
Uniform State laws conference	250.00	250.00	250.00		
Total, contingent and miscellaneous	223,700.00	275,916.00	274,701.00	+51,001.00	−1,215.00
STREET AND ROAD IMPROVEMENT AND REPAIR					
Assessment and permit work, sidewalks, curbs, and alleys	300,000.00	300,000.00	300,000.00		
Paving roadways under permit system	40,000.00	30,000.00	30,000.00	−10,000.00	
Gasoline tax, road and street fund	1,802,900.00	1,600,000.00	1,565,600.00	−237,300.00	−34,400.00
Grading	50,000.00			−50,000.00	
Condemnation—streets, roads, alleys, and purchase or condemnation of small parks	5,000.00	5,000.00	5,000.00		
Streets, avenues, roads, or highways: Opening, widening, or extension of	(1)	(1)	(1)		
Streets, avenues, and alleys, repairs	1,475,000.00	1,475,000.00	1,475,000.00		
Sidewalks and curbs around public reservations, etc	10,000.00	15,000.00	15,000.00	+5,000.00	
Bridges, construction and repair (including $120,000 contained in a supplemental estimate)	77,060.00	207,500.00	207,500.00	+130,440.00	
Reconstruction and replacement of bridges	178,000.00			−178,000.00	
Trees and parkings	112,500.00	115,000.00	112,500.00		−2,500.00
Public convenience stations	28,000.00	34,900.00	34,900.00	+6,900.00	
Total street and road improvement and repair	4,078,460.00	3,782,400.00	3,745,500.00	−332,960.00	−36,900.00
SEWERS					
Cleaning, repairing, and operation of sewage-pumping service	255,000.00	250,000.00	250,000.00	−5,000.00	
Main and pipe sewers and receiving basins	195,000.00	210,000.00	210,000.00	+15,000.00	
Suburban sewers	600,000.00	600,000.00	600,000.00		
Assessment and permit work	410,000.00	340,000.00	340,000.00	−70,000.00	
Rights of way, purchase, condemnation, etc	1,000.00	1,000.00	1,000.00		
Upper Potomac interceptor	50,000.00	50,000.00	50,000.00		
Stickfoot branch sewer			25,000.00	+25,000.00	+25,000.00
Upper Anacostia main interceptor	15,000.00			−15,000.00	
Total, sewers	1,526,000.00	1,451,000.00	1,476,000.00	−50,000.00	+25,000.00
COLLECTION AND DISPOSAL OF REFUSE					
Street-cleaning division, salaries	126,740.00	138,900.00	138,900.00	+12,160.00	
Dust prevention, cleaning, and snow removal	500,000.00	500,000.00	500,000.00		
Refuse, disposal of	950,000.00	975,000.00	975,000.00	+25,000.00	
Total, collection and disposal of refuse	1,576,740.00	1,613,900.00	1,613,900.00	+37,160.00	
PUBLIC PLAYGROUNDS					
Salaries	101,230.00	113,180.00	113,180.00	+11,950.00	
Contingent expenses	51,500.00	46,000.00	46,000.00	−5,500.00	
Expenses of school playgrounds, summer months	25,000.00	29,000.00	29,000.00	+4,000.00	
Maintenance and operation of swimming pools	6,000.00	3,000.00	3,000.00	−3,000.00	
Bathing pools	6,880.00	6,880.00	6,880.00		
Total, public playgrounds	190,610.00	198,060.00	198,060.00	+7,450.00	

(1) Indefinite.

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1930—continued

Comparative statement of the amounts appropriated for the fiscal year 1929, the Budget estimates for the fiscal year 1930, the amounts recommended in the accompanying bill for 1930— Continued

Object	Appropriations for 1929	Estimates for 1930	Amount recommended in the bill for 1930	Increase (+) or decrease (−), bill compared with 1929 appropriations	Increase (+) or decrease (−), bill compared with 1930 Budget estimates
ELECTRICAL DEPARTMENT					
Salaries	$117,160.00	$128,680.00	$128,680.00	+$11,520.00	
General supplies, repairs, etc	33,000.00	31,750.00	31,750.00	−1,250.00	
Placing wires underground for fire alarms, patrol boxes, etc	34,000.00	34,625.00	30,000.00	−4,000.00	−$4,625.00
Lighting	949,450.00	950,000.00	950,000.00	+550.00	
Equipment, new police precinct	4,570.00			−4,570.00	
Addition to storehouse	2,000.00			−2,000.00	
Total, electrical department	1,140,180.00	1,145,055.00	1,140,430.00	+250.00	−4,625.00
PUBLIC SCHOOLS					
Salaries:					
Officers	633,900.00	651,740.00	656,740.00	+22,840.00	+5,000.00
Clerks and other employees	127,540.00	146,940.00	148,560.00	+21,020.00	+1,620.00
Attendance department	32,800.00	36,900.00	36,900.00	+4,100.00	
Teachers	5,841,920.00	6,000,000.00	5,966,000.00	+124,080.00	−34,000.00
Vacation schools, playgrounds, etc	33,000.00	33,000.00	33,000.00		
Teachers' retirement fund	380,000.00	400,000.00	400,000.00	+20,000.00	
Night schools:					
Salaries	95,000.00	95,000.00	95,000.00		
Contingent expenses	4,500.00	4,500.00	4,500.00		
Deaf, dumb, and blind:					
Columbia Institution for the Deaf	27,500.00	27,500.00	27,500.00		
Colored deaf-mutes, instruction of	6,500.00	6,500.00	6,500.00		
Blind, instruction of indigent	10,500.00	10,500.00	10,500.00		
Americanization work	11,000.00	12,000.00	12,000.00	+1,000.00	
Community center department	41,000.00	42,000.00	42,000.00	+1,000.00	
Care of buildings and grounds	619,260.00	762,000.00	762,000.00	+142,740.00	
Care of smaller buildings, etc	7,000.00	6,500.00	6,500.00	−500.00	
Miscellaneous:					
Tubercular pupils, school maintenance	7,000.00	7,000.00	7,000.00		
Transportation of tubercular children	5,000.00	5,000.00	5,000.00		
Manual-training apparatus, equipment, etc	85,000.00	90,000.00	90,000.00	+5,000.00	
Fuel, light, and power	270,000.00	290,000.00	290,000.00	+20,000.00	
Furniture, etc., kindergartens, manual training, etc	22,000.00	194,500.00	194,500.00	+172,500.00	
Furniture, etc., McKinley Technical High School	350,000.00			−350,000.00	
Contingent expenses, furniture, stationery, etc	155,000.00	190,000.00	187,800.00	+32,800.00	−2,200.00
Textbooks and supplies	125,000.00	125,000.00	125,000.00		
Kindergarten supplies	10,000.00	10,000.00	10,000.00		
School gardens	3,000.00	3,000.00	3,000.00		
Physics, chemistry, and biology departments, apparatus, etc., for	14,000.00	16,000.00	16,000.00	+2,000.00	
Buildings and grounds:					
Repairs, etc	529,610.00	450,000.00	450,000.00	−79,610.00	
For renovating old McKinley High School	70,500.00			−70,500.00	
Rent of buildings	11,000.00	8,000.00	8,000.00	−3,000.00	
Equipment, grading, etc., playgrounds	10,000.00	10,000.00	10,000.00		
Public works (including $494,000 contained in a supplemental estimate)	2,612,000.00	2,454,000.00	2,242,000.00	−370,000.00	−212,000.00
Total, public schools	12,150,530.00	12,087,580.00	11,846,000.00	−304,530.00	−241,580.00
METROPOLITAN POLICE					
Salaries	2,840,470.00	2,876,850.00	2,836,960.00	−3,510.00	−39,890.00
Purchase of uniforms	67,075.00	68,400.00	67,050.00	−25.00	−1,350.00
Miscellaneous	211,000.00	145,500.00	145,500.00	−65,500.00	
House of Detention	21,000.00	36,440.00	32,440.00	+11,440.00	−4,000.00
Harbor patrol	2,000.00	2,000.00	2,000.00		
Total, Metropolitan police	3,141,545.00	3,129,190.00	3,083,950.00	−57,595.00	−45,240.00
Policemen and firemen's relief fund (payable from policemen and firemen's relief fund)	650,000.00			−650,000.00	
FIRE DEPARTMENT					
Salaries	1,904,040.00	1,923,440.00	1,906,440.00	+2,400.00	−17,000.00
Uniforms	30,975.00	31,750.00	30,400.00	−575.00	−1,350.00
Miscellaneous	140,500.00	141,000.00	141,000.00	+500.00	
Permanent improvements	54,500.00	112,950.00	93,950.00	+39,450.00	−19,000.00
Total, fire department	2,130,015.00	2,209,140.00	2,171,790.00	+41,775.00	−37,350.00
HEALTH DEPARTMENT					
Salaries	166,430.00	181,690.00	181,690.00	+15,260.00	
Contagious diseases, prevention of	43,000.00	45,000.00	45,000.00	+2,000.00	
Repair of clinics	8,000.00			−8,000.00	
Garfield and Providence Hospitals, isolation wards in	23,000.00	24,000.00	24,000.00	+1,000.00	
Tuberculosis dispensaries	20,000.00	24,200.00	24,200.00	+4,200.00	
Disinfecting service, maintenance of	5,500.00	3,700.00	3,700.00	−1,800.00	
Abatement of nuisances and drainage of lots	3,000.00	2,500.00	2,500.00	−500.00	
Drugs and foods, detection of adulteration of	100.00			−100.00	
Hygiene and sanitation, public schools	67,340.00	74,000.00	74,000.00	+6,660.00	
Free dental clinic	1,000.00			−1,000.00	
Bacteriological laboratory	2,500.00	3,000.00	3,000.00	+500.00	
Dairy-farm inspection	5,000.00			−5,000.00	
Contingent expenses	1,000.00	8,100.00	8,100.00	+7,100.00	
Public crematory, maintenance, etc	3,000.00	3,900.00	3,900.00	+900.00	
Pound service	2,225.00	3,500.00	3,500.00	+1,275.00	
Child Welfare Society, aid to	48,360.00	52,000.00	54,000.00	+5,640.00	+2,000.00
Total, health department	399,455.00	425,590.00	427,590.00	+28,135.00	+2,000.00
COURTS AND PRISONS					
Juvenile court	61,910.00	67,360.00	65,740.00	+3,830.00	−1,620.00
Police court (including $1,600 in the second deficiency act of 1928 for compensation of jurors)	142,350.00	145,040.00	142,620.00	+270.00	−2,420.00
Municipal court	74,536.00	83,270.00	83,270.00	+8,734.00	
Supreme court:					
Salaries (includes $10,000 in supplemental estimates)	74,900.00	86,100.00	86,100.00	+11,200.00	
Witness fees	33,000.00	32,000.00	32,000.00	−1,000.00	
Jurors, fees of	82,000.00	79,000.00	79,000.00	−3,000.00	
Bailiffs	41,903.00	44,620.00	44,620.00	+2,717.00	
Probation system	9,420.00	10,000.00	10,000.00	+580.00	

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1930—continued

Comparative statement of the amounts appropriated for the fiscal year 1929, the Budget estimates for the fiscal year 1930, the amounts recommended in the accompanying bill for 1930— Continued

Object	Appropriations for 1929	Estimates for 1930	Amount recommended in the bill for 1930	Increase (+) or decrease (−), bill compared with 1929 appropriations	Increase (+) or decrease (−), bill compared with 1930 Budget estimates
COURTS AND PRISONS—continued					
Courthouse:					
Care of	$29,704.00	$35,000.00	$35,000.00	+$5,296.00	
Repairs and improvements	2,500.00	5,800.00	5,800.00	+3,300.00	
Court of appeals:					
Salaries	62,640.00	66,150.00	66,150.00	+3,510.00	
Building	7,800.00	9,120.00	9,120.00	+1,320.00	
Miscellaneous:					
Support of convicts	120,000.00	110,000.00	110,000.00	−10,000.00	
Writs of lunacy	8,530.00	8,720.00	8,720.00	+190.00	
Miscellaneous expenses	35,000.00	60,000.00	60,000.00	+25,000.00	
Printing and binding	4,500.00	4,200.00	4,200.00	−300.00	
Total, courts and prisons	790,693.00	846,380.00	842,340.00	+51,647.00	−$4,040.00
Board of Public Welfare: Salaries	97,770.00	107,900.00	107,900.00	+10,130.00	
Division of Child Welfare: Administration	5,000.00	4,000.00	4,000.00	−1,000.00	
Board and care of children	160,000.00	230,000.00	230,000.00	+70,000.00	
Home care for dependent children	125,290.00	133,200.00	133,200.00	+7,910.00	
Reformatories and correctional institutions:					
Detention of minor children	25,000.00	40,000.00	40,000.00	+15,000.00	
Jail	128,310.00	142,045.00	142,045.00	+13,735.00	
Workhouse and reformatory (administration)	15,400.00	17,000.00	17,000.00	+1,600.00	
Purchase of land	2,650.00			−2,650.00	
Workhouse	387,735.00	355,060.00	355,060.00	−32,675.00	
Reformatory	218,980.00	243,380.00	193,380.00	−25,600.00	−50,000.00
National Training School for Boys	40,000.00	40,000.00	40,000.00		
National Training School for Girls	72,140.00	77,100.00	77,100.00	+4,960.00	
Medical charities:					
Columbia Hospital	17,000.00			−17,000.00	
Children's Hospital	27,000.00	18,000.00	18,000.00	−9,000.00	
Providence Hospital	15,300.00			−15,300.00	
Garfield Memorial Hospital	15,300.00			−15,300.00	
Emergency Hospital	23,000.00	25,000.00	25,000.00	+2,000.00	
Eastern Dispensary	15,000.00	15,000.00	15,000.00		
Washington Home for Incurables	10,000.00	10,000.00	10,000.00		
Georgetown University Hospital	7,200.00			−7,200.00	
George Washington University Hospital	7,200.00			−7,200.00	
Columbia Hospital and Lying-in Asylum	55,000.00	15,000.00	15,000.00	−40,000.00	
Tuberculosis Hospital	125,860.00	140,000.00	140,000.00	+14,140.00	
Gallinger Municipal Hospital, including $150,000 supplemental estimate	816,155.00	708,600.00	708,600.00	−107,555.00	
District Training School	174,850.00	282,750.00	287,750.00	+112,900.00	+5,000.00
Industrial Home School (colored children)	57,125.00	62,960.00	62,960.00	+5,835.00	
Industrial Home School	53,150.00	55,500.00	55,500.00	+2,350.00	
Home for Aged and Infirm	115,910.00	171,900.00	171,900.00	+55,990.00	
Miscellaneous:					
Municipal Lodging House	6,360.00	6,660.00	6,660.00	+300.00	
Soldiers and sailors' homes	12,860.00	13,800.00	15,800.00	+2,940.00	+2,000.00
Florence Crittenton Home	4,000.00	5,000.00	5,000.00	+1,000.00	
Southern Relief Society	10,000.00	10,000.00	10,000.00		
National Library for the Blind	5,000.00	5,000.00	5,000.00		
Columbia Polytechnic Institute for the Blind	3,000.00	3,000.00	3,000.00		
St. Elizabeths Hospital, insane at	1,448,250.00	1,572,000.00	1,572,000.00	+123,750.00	
Nonresident insane, deportation of	5,000.00	5,000.00	5,000.00		
Poor, relief of:					
Medical attendance	8,000.00	7,500.00	7,500.00	−500.00	
Support of prisoners' dependents	2,500.00	3,500.00	3,500.00	+1,000.00	
Burial of indigent ex-service men	225.00	225.00	225.00		
Transportation of indigent persons	3,500.00	3,500.00	3,500.00		
Total, public welfare	4,322,020.00	4,529,580.00	4,486,580.00	+164,560.00	−43,000.00
MISCELLANEOUS					
Militia	50,400.00	52,900.00	52,900.00	+2,500.00	
Anacostia River and Flats	180,000.00	180,000.00	180,000.00		
Total, miscellaneous	230,400.00	232,900.00	232,900.00	+2,500.00	
PUBLIC BUILDINGS AND PUBLIC PARKS					
Salaries	355,460.00	405,000.00	405,000.00	+49,540.00	
Improvement and care of parks:					
General expenses	486,975.00	493,000.00	530,000.00	+43,025.00	+37,000.00
Protective wall (supplemental estimate)		40,000.00	40,000.00	+40,000.00	
Park police:					
Salaries	150,000.00	152,000.00	152,000.00	+2,000.00	
Miscellaneous	13,900.00	12,400.00	12,400.00	−1,500.00	
Total, public buildings and public parks	1,006,335.00	1,102,400.00	1,139,400.00	+133,065.00	+37,000.00
National Capital Park and Planning Commission	850,000.00	1,000,000.00	1,000,000.00	+150,000.00	
National Zoological Park (including $220,000 contained in a supplemental estimate)	182,050.00	423,000.00	423,000.00	+240,950.00	
Grand total, exclusive of water service	[1] 36,105,598.00	37,061,792.00	36,717,820.00	+612,222.00	−343,972.00
Amount payable from District revenues	[1] 25,587,992.44	28,061,792.00	27,717,820.00	+612,222.00	−343,972.00
Amount payable from United States Treasury	9,000,000.00	9,000,000.00	9,000,000.00		
WATER SERVICE					
(Payable from water revenues)					
Washington Aqueduct:					
Operation, salaries, etc	425,000.00	441,000.00	441,000.00	+16,000.00	
Water department:					
Salaries, inspection, and distribution branches	144,360.00	154,800.00	154,800.00	+10,440.00	
Maintenance	335,000.00	365,000.00	365,000.00	+30,000.00	
Extension of water mains	250,000.00	250,000.00	250,000.00		
Installation of meters	30,000.00	30,000.00	30,000.00		

[1] Includes $12,100 in second deficiency act of 1928.

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1930—continued

Comparative statement of the amounts appropriated for the fiscal year 1929, the Budget estimates for the fiscal year 1930, the amounts recommended in the accompanying bill for 1930—Continued

Object	Appropriations for 1929	Estimates for 1930	Amount recommended in the bill for 1930	Increase (+) or decrease (−), bill compared with 1929 appropriations	Increase (+) or decrease (−), bill compared with 1930 Budget estimates
WATER SERVICE—continued					
Installation of hydrants	$50,000.00	$50,000.00	$50,000.00		
Laying water mains, etc	297,350.00	204,530.00	204,530.00	−$92,820.00	
Total, water service	1,531,710.00	1,495,330.00	1,495,330.00	−36,380.00	
Grand total, including water service	37,637,308.00	38,557,122.00	38,213,150.00	+575,842.00	−$343,972.00
SUMMARY					
Salaries, including $3,800 in second deficiency act, 1928, and $240,000 in supplemental estimates	2,166,865.00	2,609,701.00	2,615,679.00	+448,814.00	+5,978.00
Contingent and miscellaneous	223,700.00	275,916.00	274,701.00	+51,001.00	−1,215.00
Street and road improvement and repair, including $160,000 in supplemental estimates	4,078,460.00	3,782,400.00	3,745,500.00	−332,960.00	−36,900.00
Sewers	1,526,000.00	1,451,000.00	1,476,000.00	−50,000.00	+25,000.00
Collection and disposal of refuse	1,576,740.00	1,613,900.00	1,613,900.00	+37,160.00	
Public playgrounds	190,610.00	198,060.00	198,060.00	+7,450.00	
Electrical department	1,140,180.00	1,145,055.00	1,140,430.00	+250.00	−4,625.00
Public schools, including $494,000 contained in supplemental estimates	12,150,530.00	12,087,580.00	11,846,000.00	−304,530.00	−241,580.00
Metropolitan police	3,141,545.00	3,129,190.00	3,083,950.00	−57,595.00	−45,240.00
Policemen and firemen's relief fund	[3] 650,000.00	(Indefinite.)	(Indefinite.)	[3] −650,000.00	
Fire department, including, for 1927, $32,000 in deficiency act	2,130,015.00	2,209,140.00	2,171,790.00	+41,775.00	−37,350.00
Health department	399,455.00	425,590.00	427,590.00	+28,135.00	+2,000.00
Courts and prisons	790,693.00	846,380.00	842,340.00	+51,647.00	−4,040.00
Public welfare (including $150,000 contained in supplemental estimate)	4,322,020.00	4,529,580.00	4,486,580.00	+164,560.00	−43,000.00
Miscellaneous	230,400.00	232,900.00	232,900.00	+2,500.00	
Public buildings and public parks	1,006,335.00	1,102,400.00	1,139,400.00	+133,065.00	+37,000.00
National Capital Park and Planning Commission (including a $400,000 supplemental estimate)	850,000.00	1,000,000.00	1,000,000.00	+150,000.00	
National Zoological Park (including a $220,000 supplemental estimate)	182,050.00	423,000.00	423,000.00	+240,950.00	
Total, exclusive of water service	36,105,598.00	37,061,792.00	36,717,820.00	+612,222.00	−343,972.00
Water service	1,531,710.00	1,495,330.00	1,495,330.00	−36,380.00	
Total, including water service	37,637,308.00	38,557,122.00	38,213,150.00	+575,842.00	−343,972.00
Permanent and indefinite appropriations:					
Refunding taxes	50,000.00	55,000.00	55,000.00	+5,000.00	
Extension of streets and avenues	175,000.00	500,000.00	500,000.00	+325,000.00	
Escheated estates relief fund	5,000.00	2,500.00	2,500.00	−2,500.00	
Teachers' retirement fund	340,000.00	390,000.00	390,000.00	+50,000.00	
Miscellaneous trust fund deposits	950,000.00	825,000.00	825,000.00	−125,000.00	
Washington redemption fund	500,000.00	550,000.00	550,000.00	+50,000.00	
Permit fund	50,000.00	55,000.00	55,000.00	+5,000.00	
Policemen and firemen's relief fund	650,000.00	675,000.00	675,000.00	+25,000.00	
Total, permanent annual and indefinite appropriations, District of Columbia	2,720,000.00	3,052,500.00	3,052,500.00	+332,500.00	
Grand total, regular annual and permanent and indefinite appropriations	[4] 40,357,308.00	41,609,622.00	[4] 41,265,650.00	[4] +908,342.00	−343,972.00

[3] Not included in total.

[4] Including $12,100 in second deficiency act, 1928.

Mr. CASEY. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, as a member of the subcommittee charged with the responsibility of looking into the fiscal affairs of the District of Columbia, I feel it is my duty to give to the House such information as I may have with reference to this matter. I desire to impress on the minds of the Members of the House that they should not be misled by the statements made by the gentleman from Nebraska [Mr. SIMMONS], chairman of the subcommittee, when he mentions that the committee did this or the committee did that, or the committee recommends this or the committee recommends that. The fact is that as far as I know the subcommittee had very little to do with the preparation of this bill or the report accompanying it that is now before you.

The first time I saw the bill or the report was when I appeared at a meeting of the full Committee on Appropriations to report the bill to the House. That is equally true of my colleague, Mr. GRIFFIN, of New York.

I feel that there is a system growing up in this House with reference to these appropriation bills, and particularly with reference to this District bill, that should be brought to the attention of the House, so that you may understand just what it is.

I was present in the city all the time during the hearings on this bill, with the exception of two days when it was necessary for me to go to Harrisburg, being president of the Pennsylvania Federation of Labor, to attend the State legislature's conference to prepare labor's legislative program to be presented to the legislature now in session.

I did not arrive in Washington on January 3, the first day of the hearings, because I had been seriously ill, but I have been in the city all of the time since my arrival on the 4th of January, with the exception of the two days I have just mentioned.

I know of no meeting having been called by the chairman of the subcommittee to mark up this bill; that is, to prepare the language that was to go into the bill or the report. I know of no meeting where the members of the subcommittee were called together to decide what items should or should not go into the bill. I do not know who wrote the bill. Neither do I know who wrote the report. You have before you a bill and a report accompanying it, supposedly prepared by the subcommittee. The report recommends the passage of the bill by the committee, when, as a matter of fact, the subcommittee never saw the bill or report until yesterday. I have no desire to quarrel with anybody; neither have I any desire to enter into personalities with reference to this matter. Personalities should not be indulged in during the consideration of legislation, but facts and systems should be discussed and that is what I propose to do in the short time at my disposal.

The committee's report would lead you to believe, and so would the statements of the distinguished chairman of the subcommittee, that the subcommittee had discussed this lump-sum appropriation and had arrived at a conclusion upon it. The fact is that since I have been a member of the subcommittee the subcommittee has never discussed this question. They have never been permitted to discuss it. I am not an advocate of the 60-40 plan or any other similar plan, because I do not believe they are fair to the Federal Government. I do not say that I am opposed to the lump-sum proposition of $9,000,000. I do say that I do not know whether it is right or not. Such investigation as I have made into this matter, the available information I could get upon it, leads me to believe that the person who guesses at a lump sum of $9,000,000 may be correct, but that he is no more correct than the man who would guess at lump sum of $15,000,000 or $5,000,000. We simply do not know, and while the present law provides that we shall pay on the 60-40 basis, the law has been set aside by the Congress upon the theory that the lump sum would save the Federal Treasury money, and because of that it comes within the Holman rule.

Much criticism has been made because of the report of the Bureau of Efficiency upon this question, criticism by the citizens and the newspapers of the District of Columbia. I am

not prepared to say whether this criticism is just or not, because I have not had the time to study the report as I would like to. I believe the report of the Bureau of Efficiency on the fiscal relations between the District of Columbia and the Federal Government is something that should be welcomed by everybody, because for the first time to my knowledge we have a concrete proposition laid before us by an impartial tribunal, which we can add to or take from, and in this way we may arrive at a satisfactory and equitable adjustment of this troublesome question of the fiscal relations between the Federal Government and the District of Columbia. I simply repeat that I do not know what the proper amount should be. I say our subcommittee has not discussed it, we were not permitted to discuss it, and I do not want the Members of the House to understand, from what the distinguished chairman of the subcommittee says in reference to this matter, that his statements carry with it the approval of myself or my colleague on the subcommittee, the gentleman from New York [Mr. GRIFFIN].

I find unfortunately both for the Congress and the people of the District of Columbia, that there is a misunderstanding that should be cleared up. Congress seems to be in the attitude of being against everything that the people of the District of Columbia want. This is unfortunate. Congress undertakes to criticize the people of the District because the tax rate is $1.70. That is held up as an illustration of why Congress should be hostile to the people of the District of Columbia. As a matter of fact the people of the District of Columbia have nothing to say about what their tax rate shall be. This House fixes this tax rate for the District of Columbia, and this House must accept the responsibility for the low tax rate in the District.

We provide in this bill that the authorities of the District of Columbia shall not have the authority to reduce the tax rate below $1.70, notwithstanding the fact that this tax rate has created a surplus that is accumulating in the Treasury, because Congress will not authorize the expenditure of sufficient money necessary for proper improvements in the District of Columbia. So long as we limit the expenditures of the District of Columbia as we do in this bill and every other bill and prevent the people of the District of Columbia from making the necessary improvements, it naturally follows we must in all fairness assume the responsibility. They are prohibited from spending any money other than that authorized by the bills passed by Congress.

Much has been said on this question, and I do not propose to go into it at any greater length, except to say that in my judgment you and I and the rest of the membership of this House are responsible for the low tax rate in the District of Columbia, and we should assume full responsibility for it and not try to shift it upon the citizens of the District. When we fix the amount that can be spent by the officials of the District we, of course, fix the tax rate.

You have been told that there is a surplus in the Treasury to the credit of the District of Columbia, and you have been told that there is no need for additional school facilities, notwithstanding that there are at the present time 6,000 children in the District of Columbia who attend school on what is called part time. That means that one child will go to school this morning and another child remain at home; the child who remains home in the morning will take the place of the child who went to school in the morning by going in the afternoon. This means that 6,000 children in the District of Columbia are being robbed of their education and additional and unnecessary burdens are being imposed on their parents. The hearings show, and the facts will demonstrate, that we have established a 5-year building program for our public-school system in the District of Columbia. The facts will also show that we are $3,500,000 behind in appropriations for providing for school facilities for the proper accommodation of the children in the District of Columbia; I believe this is a matter that Congress should be interested in.

The hearings will show that the school authorities have repeatedly asked for appropriations to keep abreast of the 5-year program, but notwithstanding their urgent requests we are $3,500,000 short of the 5-year program. In addition to this, we have approximately 75 or 80 portable schools that are moved from place to place to relieve the load in certain sections when conditions become so congested that they can not handle the school children—these shacks which are moved from place to place at best poorly lighted, poorly heated, poorly ventilated, and are nothing more than insanitary makeshifts in which we compel the children of the District of Columbia to attend school. I believe Congress should be interested in this matter, and I believe further that Congress should appropriate sufficient money for the erection of proper public school buildings in all parts of the District of Columbia so that these 6,000 children now on half time and these 3,000 or 4,000 children housed in these poorly ventilated, insanitary, portable buildings, may be put in proper schoolrooms and the makeshifts destroyed.

We also have a situation in the District of Columbia with reference to sewers to which I wish to direct attention.

We have, and the testimony will corroborate my statements, subdivisions in the District of Columbia with 35,000 or 40,000 people living in thickly populated and congested centers without a sewer or a water pipe, and where the outside toilets, or privy closets as they call them, are increasing year by year. There is no justification for a condition of that kind in the Capital City of the great United States, and, further, let me say that these insanitary privy closets which I am talking about, in many instances, because of the seepage from them, have destroyed the only source of water in those neighborhoods, viz, the wells that are located there. Further than that, you should know we appropriate approximately $25,000 a year to empty these privy closets of night soil, as it is termed in the bill, and what is done with this night soil? Is it dumped into the river? Is it cremated as it ought to be in sewage disposal plant or crematory or in any other sanitary way? No; it is not. It is sold to the truck farmers adjacent to the city of Washington and used as fertilizer to grow vegetables which are sold to the people of the District of Columbia. Is it not about time that Congress undertook to put a stop to this insanitary and unjustifiable condition?

Congress has a duty to perform in protecting the health of the people of the city of Washington. Congress should not sit idly by and permit these things to exist. Last year I called attention to the fact that beautiful Rock Creek Park, with that beautiful stream running through it, where you will find signs along its shore, "No bathing, no bathing," and where you will find during the summer months thousands of citizens of Washington and their families eating their dinners every Saturday afternoon and Sunday. I have seen them going to the creek and washing their plates, knives, and forks. And no doubt some of the children, not knowing any different, drink some of the water, and after eating their food their dishes are again washed in Rock Creek, which is an open sewer. That is why children and people are not permitted to bathe in it. No effort is made to eliminate these conditions. Congress, I repeat, should be interested. This House should be interested, and I believe it is about time they should do something of a practical nature to bring about the elimination of these conditions.

Mr. BYRNS. Will the gentleman yield?

Mr. CASEY. Yes. I yield to the gentleman from Tennessee.

Mr. BYRNS. Is not what the gentleman says more of an indictment of the officials of Washington, who are charged with the expenditure of this money, than of Congress, which makes the appropriation?

Mr. CASEY. In reply to the gentleman from Tennessee let me say that I have been going over the hearings very carefully and tried as best I could to place the responsibility, but in every instance it has led right back to the House of Representatives, because the officials say that they have not sufficient funds, and Congress will not give sufficient funds to eliminate those very bad conditions.

Mr. BYRNS. Now, if the gentleman will pardon me, let me say this: I have in mind a city which has in population over one-third and not quite half of the population of the city of Washington. I happen to know that that city has splendid sewers. It is properly taken care of, and so far as I know there is no particular complaint upon the part of the citizens of that city, and yet I dare say that the annual budget of that city is not one-tenth of that for the city of Washington. Now, I would like to understand why it is that this condition of which the gentleman complains exists, in view of the fact that appropriations are made for the city of Washington which in this particular instance are ten times more than the amount appropriated for the city I have in mind, although that city is over one-third as large as the city of Washington?

Mr. CASEY. Of course, there may be many reasons entering into it which I have not time to discuss. One factor is we set the tax rate here and we limit the expenditure. And in further reply to the gentleman from Tennessee, let me say that I can see no justification for the House of Representatives being bound by the recommendations of the Bureau of the Budget in the passage of this bill for the District of Columbia. I can see the necessity and appreciate the importance of following as closely as we can the recommendations of the Bureau of the Budget in the consideration of all other appropriation bills except this one, because the appropriations in the other bills come out of the Federal Treasury; but for this bill there is a

fixed sum, a rigid amount of $9,000,000. If the people of the District of Columbia want to build more schools, want to build more sewers, want to make this city more sanitary and more beautiful, then the people of the District of Columbia ought to be permitted to do it out of the taxes they pay.

They should not be estopped from doing those things—making those very necessary improvements—simply because we will not let them do it. That is no excuse, especially when the money for these improvements comes out of the taxes paid by the citizens of the District of Columbia.

I just want to take a moment or two on the question of the District employees' salaries, and then I have finished. When the bill for the fiscal year 1929 was before the House for its consideration it carried an item of approximately $170,000 for step-ups, as recommended by the Bureau of Efficiency, for the employees of the District doing like work to those in the Federal departments. At that time it was stated on the floor of the House by every member of the subcommittee and also by the report of the committee to the House that this was a 2-year program. The reason for that was that the Bureau of the Budget recommended to Congress in last year's bill an item of approximately $37,000 for necessary step-ups, as provided by law. When the subcommittee looked into the matter we found that instead of $37,000 being sufficient to comply with the law, it took over $340,000. This is the amount which rightfully belonged to these poorly paid employees of the District of Columbia and which had been taken from their pay envelopes—this amount of $340,000 rightfully belonged to these employees and should have, in all fairness, been given to them in the last bill; if this had been done as it should, there would not be any question about it at this time. The experts were put to work on this question, and the more they dug the worse it got.

Finally they arrived at the conclusion that the employees of the District of Columbia were the farthest below the average of their grade of any employees of the Federal Government in the District, or lower than the average in the 33 departments of the Federal Government, with the result that it was agreed that this $340,000 plus rightfully belonged to these employees; but at the suggestion of the distinguished chairman of the committee at that time, our good friend Mr. Madden, a 2-year program was agreed upon, to the effect that approximately half of the amount due these employees would go into last year's bill, with the solemn promise that the other half would go into the bill now before us for our consideration.

That promise has been broken. It is said that the Welch Act took care of this matter. That is not so. The understanding at the time this agreement was arrived at was that there was honestly and justly due the District employees $340,000 plus, and that it should be given to them in order to bring them up to the level of the average of their grade and put them on a comparable basis with the Federal employees in the District of Columbia doing like work, and that if the Welch Act or any other act passed by Congress increased the salaries of the Federal employees and the District employees, that this subsequent increase was to be added to the base pay set for the District employees by the addition of this $340,000.

You are told that since the passage of the last District appropriation bill the salaries of these employees have been increased twice, and in some instances three times, as a justification for keeping out of this bill the $165,000 that rightfully belongs to the employees of the District. They tell you that $500,000 or $700,000 has been added to their pay. But they do not tell you what their minimum salaries are. They do not tell you about the poorly paid employees of the District of Columbia, and that the salaries now paid, with these three increases, have not been brought up to the level of the average of their grade.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CASEY. I yield myself 10 minutes more.

The CHAIRMAN. The gentleman is recognized for 10 minutes more.

Mr. CASEY. The admission that they had to give these poorly paid employees three increases, to give these employees two or three additional step-ups in the past year, confirms every statement I made on the floor of this House during the consideration of the last bill providing for the expenses of the District of Columbia.

I want to say to you very frankly, my friends, that I sincerely trust a better understanding will be had between Members of this House and the officials and people of the District of Columbia. The people of the District of Columbia want to make these improvements but Congress will not permit them to do so. The responsibility is ours. An increase in taxes of 5 cents would put into the Treasury $600,000 or more per year. An increase of the taxes for the District of Columbia of 10 cents, making the tax rate $1.80 instead of $1.70, would put into the Treasury $1,200,000 which could be used for these improvements.

But it is not necessary to increase the taxes. With the tax rate now set by Congress, not by the people of the District of Columbia, of $1.70, they are able to pay for everything authorized in this bill or in the bill passed last year and still have a surplus which, according to statements made to you this morning, by July 1, 1930, will amount to $10,000,000.

Why should the people of the District of Columbia pay taxes to the extent that after paying for everything authorized by Congress there accumulates in the Treasury $10,000,000, while they have sections or subdivisions of the District without sewers or water mains, while there are 3,500 children housed in these poorly lighted and poorly heated and insanitary portable buildings called schools; while there are 6,000 children in the District of Columbia who are being deprived of an opportunity for an education because of the lack of proper school facilities and are only permited to attend school half time? Congress should look into this matter; it is a very serious question. If it was not so serious, I would be tempted to say it is a farce. But it has gone beyond that. It is a real tragedy, and unless it is corrected I apprehend that some day it will become a national scandal.

Mr. Chairman, I reserve the balance of my time. [Applause.]

Mr. SIMMONS. Mr. Chairman, I yield to the gentleman from Illinois [Mr. HOLADAY] 20 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 20 minutes.

Mr. HOLADAY. Mr. Chairman and gentlemen of the committee, before referring specifically to two or three objections that have been made to this bill, I feel that I should not allow to pass unnoticed the remarks of the gentleman [Mr. CASEY] who just preceded me with reference to the matter of hearings upon this bill.

During my legislative experience I have always proceeded on the theory that it was my duty to attend a committee hearing, and that if I did not attend that hearing I should not object to what occurred in that meeting; or, if attending the committee hearing and not understanding what was being done, I surely would not voice an objection after the conclusion of the hearing. The members of the subcommittee were notified that this committee would meet on the 3d day of January, and we did meet on that day, and on the completion of the hearing that day we adjourned to a certain hour on the following day; and that proceeding was followed until the hearings were completed, sessions being held generally in the forenoon and in the afternoon. I was present at all of these hearings with the exception of one session, when it was necessary for me to be absent, and I availed myself of the opportunity afforded to ascertain the character of the proceedings of the session which I did not attend.

After the hearings were completed the committee proceeded, page by page, to mark up this bill. The language of the bill was discussed. Certain matters that were subject to a point of order were discussed. The fiscal relations question was discussed. The report of the Bureau of Efficiency was received and discussed. As far as I am concerned, as one member of that committee who attended the sessions of the committee, I have no objection to the manner in which the hearings were had.

Yesterday the gentleman from New York——

Mr. CRAMTON. If the gentleman is leaving that part of his speech, does he mind an interruption?

Mr. HOLADAY. I yield.

Mr. CRAMTON. I am not sure that all Members quite appreciate the pressure under which a subcommittee handling an appropriation bill must work in order to suit the convenience of the House and keep these bills coming before the House in an orderly way. All of the appropriation bills contain many items, each of which requires examination and each of which is examined. In order to complete the hearings in the time that is permitted, get the bill whipped into shape and brought to the House it requires the most intense kind of application on the part of any subcommittee handling one of those bills. Now, as to the nature of the hearings, I have had some contact with the work of the Appropriations Committee for several years and some contact with the character of problems handled by this subcommittee. I want to say I do not believe there has ever been any committee of Congress that has developed the facts of a bill committed to its charge more thoroughly, more acceptably, and more capably than the subcommittee of which the gentleman from Nebraska [Mr. SIMMONS] is the chairman and the gentleman from Illinois [Mr. HOLADAY], the gentleman from Pennsylvania [Mr. WELSH], the gentleman from New York, and the gentleman from Pennsylvania [Mr. CASEY] are members. The House has in that set of hearings a splendid development

of the facts, and I think this subcommittee is entitled to a great deal of credit and commendation for its splendid work instead of any word of criticism.

Mr. HOLADAY. As I started to say, the gentleman from New York [Mr. GRIFFIN] on yesterday, in a somewhat lengthy speech, summed up his objections by asking three questions near the close of his remarks, and I think we may assume that in those three questions were embraced about all of his material objections to the bill. The gentleman who has just preceded me this morning has, in a large part, voiced the same objections.

The first question asked by the gentleman from New York was with reference to the sanitary and sewer conditions of the District of Columbia and especially with reference to outdoor box privies. We must remember that the District of Columbia extends out into the country and we have east of the Anacostia River a territory in which there are living approximately 30,000 people. In great part it is sparsely settled and undeveloped as yet. In that territory there are approximately 3,500 box privies. The hearings of the committee show that to forthwith eliminate all of those privies would cost $40,000,000, for the simple reason that in order to reach a house that may be situated out in the country, perhaps a quarter or a half mile from another house, yet within the District, it would be necessary to install a sewer for that one house. Now, what is being done with reference to the situation? This matter was especially called to the attention of the committee last year by the gentleman from Pennsylvania [Mr. CASEY]. An investigation was made, and this year, as a result of that investigation and in furtherance of the general development of the District, we are starting on a 3-year program for the elimination, so far as it is feasible, of those objectionable features. This 3-year program carries for that purpose $294,000—$70,000 for grading; $130,000 for sewers, and $94,000 for water. We must remember that before sewer connections can be made the streets must be laid out; they must be brought to grade; the water mains must be installed; and then the sewer mains. This territory is being developed by people of limited means. They have gone out of the higher-priced sections of the District and are locating their little homes there and they do not desire, in many cases, that at the present time they be burdened with the additional expense necessary to make their homes modern. But that work is now being carried on under a definite program.

In addition to the $294,000 expressly carried for this purpose, we are carrying an item of $1,475,000 for street repair, grading, and extensions, a part of which will be used in this territory. We are also carrying a general item for the extension and replacement of water mains of $320,000, a part of which will be used in this territory. We are also carrying an item of $600,000 for suburban sewers, practically all of which will be used in this territory. So the House should understand that the committee has not been negligent in this matter, but is proceeding with a well-defined program that will gradually eliminate these undesirable features.

The second question was with reference to the sewage conditions in Rock Creek Park. I am going to read to you a half page of the hearings. The gentleman from Pennsylvania undoubtedly will recall this, because this was the day on which he was present. I am now reading from page 192 of the hearings. This question was asked by Mr. CASEY:

What, if anything, has been done toward eliminating the sewage from Rock Creek?

This answer was made by Mr. Gordon, the head of the sewer department:

Nothing, except that a rather detailed report has been prepared by me, which report might be of interest to you. I am bringing out very clearly in this report the fact that the pollution in Rock Creek is probably from 95 to 99 per cent from Maryland and but 1 to 5 per cent from the District of Columbia, and that to remove this 1 to 5 per cent pollution that might be contributed by the District we would have to spend about $6,000,000.

The committee did not include the item of $6,000,000 for the removal of from 1 to 5 per cent of this sewage, because we did not think it was a feasible and proper expenditure:

Mr. SIMMONS. Is Maryland making any effort to remove its part of the pollution?

Mr. GORDON. They are making an effort to remove certain portions of it. There was created the Washington Suburban Sanitary District, embracing portions of the counties adjacent to the District of Columbia, and the commissioners of this sanitary district are empowered to sell bonds and levy assessments for the purpose of extending the sewer system in the sanitary district, and they are doing this. The Washington Suburban Sanitary District embraces about one-third of the drainage area of Rock Creek lying outside of the District. In other words, about 19 per cent of the entire drainage area of Rock Creek lies within the District and 81 per cent lies outside of the District. Of that 81 per cent, one-third is gradually having sewers installed by the Washington Suburban Sanitary Commissioners. This leaves about 55 per cent of the entire drainage area of Rock Creek, in which there are a number of growing communities, which will continue to pollute this stream.

The third question asked by the gentleman yesterday, and also mentioned by the gentleman from Pennsylvania this morning, was with reference to the school situation. Very recently Doctor Ballou, the superintendent of schools, furnished a report as of the date of November 1, 1928, in which he gave an itemized statement of the condition of school facilities and what was necessary to bring our school facilities 100 per cent up to date so that no new facilities would be needed. He lists the additional schoolrooms that are necessary to eliminate portables, 66; to eliminate rented quarters, 19; to eliminate undesirable rooms, 16.

Let me say here that those undesirable rooms are not all in one building, but they may be in a building that is in very good shape except that under pressure they are using one room or a hall or something of that kind that is not for the best interests. There are 16 in that class. To reduce oversized classes, 37; to eliminate part-time classes, 83; or a total of 221 rooms that are necessary.

Then he also sets forth a list of 90 rooms that should be, some time in the near future, abandoned, making a total of 341 rooms, of which 251 are recommended for immediate abandonment.

Now, remember, this is the report of the superintendent of schools, stating what is needed to bring the school system, so far as the housing facilities are concerned, up to 100 per cent, and this is all that is needed.

Now, what are we doing? Remember, this report was of November 1, 1928, and we needed 251 rooms.

School buildings that were opened between November 1, 1928, and January 17 this present month numbered 73 rooms.

Buildings appropriated for, plans now being drawn, or buildings under construction, 132 rooms.

This makes a total of rooms that have already been opened since the 1st of November or that are now under construction or that plans are being prepared for 205.

This bill carries additional buildings with a seating capacity for 3,343, or, at the usual average per room, 83 rooms.

So, when this bill is passed, with the rooms provided for in this bill, the rooms that are now under construction, and the rooms that have been opened since the 1st of November, we will have an additional 283 rooms, when the superintendent of schools has stated that it is only necessary that we have 251.

Let me now explain one other feature. Here is an item, for instance, of 66 portable rooms and an item of 16 rented rooms.

We find this condition: There is a new building constructed, we will say, of 16 rooms. When it is opened up it is 80 per cent filled. Gradually as two or three years pass by it reaches its maximum capacity, and then it begins to break over a little. It may be a building the normal capacity of which is 2,000, but it is breaking over, and it has an extra 100. This accounts for the oversized classes. We have 37 of them.

It may be that these oversized classes are one or two oversized—maybe six or eight—but it is not a feasible or an economical proposition to construct a new room to furnish accommodations for the one or two that come immediately at the break over.

So we will find that even with all the rooms constructed that we have now planned for we will continue, no doubt, to have here and there oversized classes.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SIMMONS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HOLADAY. You may find in one building undersized classes, but across the city in another building there will be some oversized classes, because it is not feasible to take these children that distance and put them in the other school.

Mr. MOORE of Virginia. Will the gentleman yield for a question?

Mr. HOLADAY. Yes.

Mr. MOORE of Virginia. How does the gentleman answer the question propounded by the gentleman from Pennsylvania [Mr. CASEY], who wants to know why we should not go along more rapidly in respect of the matter of sewers and water and schools, inasmuch as there is such a large surplus being accumulated to the credit of the District of Columbia?

Mr. HOLADAY. We are using up that surplus. We are going on with the schools as fast as the school board is presenting its plans for new rooms. We even urged them to go a little faster, and we hope, I may say, to provide in the deficiency

bill a provision for another building. The school board did not have their plans prepared with reference to the location of the building on account of certain conditions in relation to the location of white and colored schools.

On the whole, I think the city schools of Washington to-day are in better shape than they have been in many years, and that they are on a basis that will compare very favorably with the schools of any of our other cities. [Applause.]

Mr. CASEY. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by including an article by J. Ramsay McDonald, ex-Premier of Great Britain, on the relations between America and England, which appears in the current number of the Nation.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. HUDDLESTON. Mr. Chairman, under leave granted to extend my remarks in the RECORD, I insert an article by J. Ramsay MacDonald, ex-Premier of Great Britain, on the relations between America and Great Britain.

The article is as follows:

AMERICA AND ENGLAND

By J. Ramsay MacDonald

LONDON, *January 10.*

The relations between the United States and Great Britain grow increasingly unhappy. The usual committees of friendship are being formed—always an ominous sign, and the usual signals of a faith in doubt are being flown, such as: "War between the United States and Great Britain is unthinkable." When I hear that I am reminded of the sailor who in dire peril expressed a thankfulness that his religion was still left. The plain fact is that a spirit is growing up in the two countries which is estranging them, and is encouraging a kind of squabbling criticism which destroys mutual understanding and forbearance. It is very curious that the behavior of young creatures in nurseries so often illustrates that of nations toward each other. What each of nations requires at this moment is a good robust call from manly common sense.

One type of mind is peculiarly pernicious in such circumstances, that of the apostle of the inevitable. It has an alluring air of detachment, and yet of stoical submission to the decrees of Providence. To-day it murmurs as in a drowsy trance that great economic empires have always clashed and fought, that capitalist competition has always brought armaments competition, and that that in turn has always brought war. Therefore all that the United States and ourselves can do is to go on temporarily with our struggle for markets and rivalry for possession of furniture and old masters, and wait for the inevitable clash and crash decreed since the beginning of the world. Against this superstition and misreading of history every backboned sentiment of morality and common sense must be up in arms. Given governments which have minds to form rational policies, and a public opinion which represents an active will and is not merely a spill drifting upon the currents, war is no more inevitable than the smallpox, and the causes of war are just as controllable as insanitary conditions.

The European war left for the United States and England times full of petty irritation. The burdens of debt, revolutions in industry and in world markets, the problems of political readjustment in a world which has undergone more change than people really imagine, and, in some respects, the even more difficult mental readjustments that are called for are not good for an equable temper. And when we come down to actual business, we find ourselves still more immersed in the strangeness of the change which has taken place. The whole world to-day is calling for peace and security against war, and when a simple declaration against war which avoids every practical difficulty is put before the world, the world hails it with acclamation, signs it—and relapses. To those of us who believe that to bring the nations out of the war age is the divine task of this generation, the temptation to lapse into cynicism rather than continue in an energetic faith is very great when we find that armament expansion both in Europe and America has been decreed by the same hands and the same pens as signed a solemn bond to eliminate forever the consideration of war from national policies. There is something wrong somewhere. Somehow, the distinction in Christian conduct between Sunday and the rest of the week seems to be creeping into international policies.

The first reflection which we are apt to make on such a situation is that some nation other than our own is perfidious. That has the demerit of leading us nowhere except up the dangerous way of self-appreciation and it also happens to be inadequate as an explanation. The fact is that every nation is rent between two opposing and hostile moods. Everyone wants peace, but no one will accept and pursue a policy based upon peace assumptions. The practical policy of the United States and Great Britain is exactly the same as that which preceded and prepared for the late war. Let us both get to close grips with reality. We have gone to Geneva to discuss naval armament, and we have both sent naval officers to do the negotiating. Both of us have begun with the assumption that war, involving our interests and safety, may break out. The duty of a naval officer is not to make peace, but to safeguard his nation's interests in time of trouble, and both you and we have an admirably able and honest body of men to advise us on that matter. At Geneva, it was not our mutual desire for peace that failed; it was not the impossibility of a peace policy that was demonstrated. It was a much simpler and very obvious thing. It was that, in the event of a war which brought us into conflict with each other, or that brought us separately into the strife, the naval arm that the United States would require for security would not be the same as that which England would require for security; that, indeed, if either the United States or England thought of security in relation to the hostility of each other, both of us would have to increase rather than diminish our shipbuilding. That was all that the Geneva failure proved. Was it really worth while going to Geneva for that purpose? Admirals as naval negotiators could not do other than bring out that obvious fact, and their negotiations could only expose the obvious. Then English papers and American started their fusillades. They missed completely the reason for the failure, and in good old-fashioned style went for the other side hammer and tongs. You patted yourselves on the back, kicked us, and we did exactly the same on our part; and the Atlantic became broader far and more stormy for both of us.

Then came our military—not only naval—agreement with France. For that I have nothing to say except that it illustrates the bungling of so much of our present Government's foreign policy. I do not believe that it was directed against the United States. It was simply stupid. It sacrificed our own national interests far more than it menaced yours. The country, irrespective of party, rose up and, following the lead of the Labor Party, rejected it. It would be highly improper for me to pass any opinion on the new American cruiser program; if I did so, it would quite properly be resented. But I may be allowed, as an outsider who is greatly concerned with the moral authority which every great State must possess if we are to secure the conditions of a world's peace, to say that the execution of that program will be a great blow to the Nation from which the Kellogg pact originated. You may consider it necessary to face that; but, make no mistake, the result will be the same as though my country had not declined to countenance the Anglo-French agreement. People will say: "Oh, yes; they boast of their declaration denying that war is to be a consideration in national policy, and with a simultaneous voice vote for a larger Navy," and if men can say that, it will be a bad thing for every movement seeking to establish a world peace.

Here in Europe those of us who are devoting our lives to the elimination of war from the national records of the times to come are nearer to the frontiers from which war alarms come than you are in America, and we, therefore, see phrases and words with a meaning in realistic policy somewhat different from the meaning you see in them. But we know that with America indifferent, or neutral, or pursuing its own way, our tasks are to be heavy and our defeat is to be more possible. Therefore it is imperative that steps be taken at once to end all this foolish and mischievous feeling which is alienating the United States from Great Britain.

The first thing to be done is to bring to a common table for discussion the reasons why ships are being built, why we both went to Geneva with the assumption we did, why we are thinking of trade routes being blocked, what there is between us that for immediate policy, newspaper writing, and political electioneering makes the Kellogg pact a mere collection of words strung upon a pious thread. The task of the statesmen is to make impossible the conditions upon which the masters of naval strategy spend their efforts. Why do not the statesmen act? If they are acting, why do they not give us comfort by informing us that they are? Is no attempt to be made, is none being made, to clear up the confusion of "the freedom of the seas"?

Has neither of us the courage to discuss with the other what the interests and obligations of both are in, and to, the world and each other? Have both of us failed to observe how easy it is for nations to slip into war for nothing, how ready popular imagination is to be set on fire by anyone—even an almost anonymous newspaper proprietor—who cares to light a match? This is no case for private and unofficial action and conferences. The governments must act. Both countries ought to appoint five or six of their most outstanding public men representative of the whole nation to meet and drag from the obscure corners of sulky suspicion the things which make difficulties between us. Let us know them. Mayhap fresh air would clean our minds of them. Governments are timorous, and if this be too solemn a proceeding for them to support, let them do something themselves, only we should like to be assured that they are aware of the mighty issues involved in a lack of real good will and confidence between the United States and Great Britain. No staging is too impressive for the importance of friendship between us, no pageantry too extravagant for the proclamation that difficulties have been removed. I want to involve the United States in no European escapade and no entanglements. It ought to praise its Creator night and day that that necessity is not imposed upon it, as it is, alas! upon us. But those of us whose lot is cast here,

and whose fate it is to struggle against the powers of militarism which have been wounded but certainly not killed in the late war, should like to feel that an American hand will always be placed in ours for encouragement, and that the relations between your country and mine can be held up to the world as an example of what we are striving to establish everywhere.

Mr. SIMMONS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, the CONGRESSIONAL RECORD to-day shows that $24,000,000 has been added to the deficiency bill for increasing the prohibition enforcement force, or such part thereof as the President may deem useful, to be allocated by the President as he may see fit to the departments or bureaus charged with the enforcement of the national prohibition act and to remain available until June 30, 1930. This is the first step toward an annual expenditure of about $250,000,000 and an expenditure of over $1,000,000,000 before the American people will be convinced that the prohibition law simply can not be enforced. Prohibition will be successful when fermentation can be stopped by an act of Congress.

In the meantime friends of prohibition can not escape the responsibility of accepting appropriations and making an honest attempt to enforce the law.

The letter from Secretary Mellon to the Senator from Wyoming does not describe fully actual conditions. The Secretary of the Treasury, to whose department the enforcement of prohibition is intrusted, either seeks to avoid responsibility or else has not the courage to frankly state to the American people his conclusions after 10 years of prohibition. Mr. Mellon, like everyone else in this country, must know that the attempted enforcement has been nothing short of a farce and a complete failure. More than five years ago I stated to the House that it would take over $250,000,000 to commence to enforce prohibition. This estimate has been verified in the light of the experience of the past five years and the admission of Treasury Department officials.

After 10 years' experience the Treasury Department surely is in a position to know how it can at least commence to make a beginning at an attempt to enforce prohibition. If Secretary Mellon had been frank and honest about it, he would have stated that with $25,000,000 or $200,000,000 more the results would be about the same. Yet he should be able to immediately allocate additional funds and attempt to carry out the law to the extent that it is humanly and financially possible. His letter to the Senator from Georgia is evasive. He talks about the courts being congested. He seems to me to miss the point entirely that the additional funds can be used by him as a prevention to the commission of crime and not only for punitive purposes. In order that it might not be said that I am indulging in general criticism, I have prepared a tentative allocation of the $24,000,000 in such a way as to make a real test at strategic points of the bootleg industry and so assign the force as to prevent violations of the prohibition law rather than bringing in thousands of cases for the trivial offense of having a pint of liquor in possession. Mr. Mellon suggests a "thoroughgoing survey of the entire field." With that in mind I submit to Mr. Mellon and the Treasury Department the following suggestions:

One of the points which has been the source of wholesale importation where enforcement has been so feeble as to be ridiculous is the port of Detroit. At this point a sufficiently strong force of men must be assigned to create a blockade. Importation of liquor in or about Detroit has grown to be an established industry running into millions and millions of dollars. About 50 men have been assigned by the Treasury Department for the Detroit district where thousands are employed in the export, import, and transportation of liquor. Now, here is the plan for Detroit.

The strategic points on the Canadian side are Riverside, Ford City, Walkerville, Windsor, Sandwich, Ojibway, and La Salle. These are the principal bases of operation. It is necessary to place a patrol watching each one of these points, as follows: I am taking a minimum force of 30 men, which next year would have to be increased:

Riverside, 30 men (3 platoons equals 90 men); Ford City, 30 men (3 platoons equals 90 men); Walkerville, 30 men (3 platoons equals 90 men); Windsor, 30 men (3 platoons equals 90 men); Sandwich, 30 men (3 platoons equals 90 men); Ojibway, 30 men (3 platoons equals 90 men); La Salle, 30 men (3 platoons equals 90 men); roving patrol for Detroit district, 50 men; total additional force, at $3,000 per year (680 men)	$2,040,000
9 senior officers for this force, at $4,000 a year	63,000
1 commanding field officer	5,000
20 patrol boats	120,000
40 motor-boat men, at $2,000	80,000
Total for Detroit additional force	2,308,000

Experience has demonstrated that men exposed to patrol duty of this kind day after day should be worked in platoons of eight hours a day. It is necessary to have three platoons and a patrol on duty all of the time inasmuch as rum runners do not adhere to union schedule of hours and are on the job all the time. From past experience also it has been learned that fairly good pay must be provided. The men are in constant and daily temptations of bribe and corruption running into big figures. For this kind of work no less than $3,000 a year should be paid unless, of course, the Government desires to turn their enforcement forces into protection patrols for the rum runners. I want to make it clear that the assignment of this force, large as it may seem, will not stop the smuggling of liquor from Canada. It will show how difficult, costly, and impossible the problem is.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WILLIAM E. HULL. You have not provided anything to pay the men who are to watch these 30 men. [Laughter.]

Mr. LAGUARDIA. That is for next year. We will come to that later.

The next spot where additional force is required in order to prevent violations is in and about the so-called denaturing plants. There are 82 denaturing plants in the United States. In 1928 no less than 159,689,378 proof gallons of alcohol were withdrawn for the purpose of being completely or specially denatured. To give an idea how this denaturing business has grown, it is only necessary to state that in 1907, 3,084,950 proof gallons of alcohol were withdrawn for that purpose. No matter who may be operating these denaturing plants, no matter how much they might have been investigated, no matter what supervision may be exercised over them at this time, the fact remains that this original source is not sufficiently controlled and supervised, and that there is an enormous leakage and diversion from this source. Honest plants will not complain of more rigid supervision. The others we need not worry about. Later on it will be necessary to increase the force, but for the present the department can start by assigning to each of these plants six additional men, as follows:

6 additional men to each plant (3 shifts equals 18 men for each plant); 82 plants times 18 equals 1,476 men, at $3,000	$4,428,000
6 supervisors, at $4,000	24,000
10 accountant-auditors, at $5,000	50,000
Total additional force, denaturing plants	4,502,000

These men can work under direct command of the zone administrators, and the supervisors would be used to check up on the men on a constant tour of inspection. The need of accountant-auditors is very important. While the men at the plant can physically watch operations, a great deal of the diversion is carried on by well-covered and seemingly honest business transactions. Auditors would have to check up on the raw material, follow the sales, verify destination, and in that way prevent covered diversions. There is so much at stake in this department that it would be unsafe to pay the employees any less than suggested.

BREWERIES

Last year there were about 308 breweries licensed to manufacture near beer. This number has now been reduced to 275. Everyone watching conditions knows that beer is flowing out of the kegs as fast as the law of gravitation will permit. This is especially true in Pennsylvania. The supervision at the licensed beer plants is apparently not sufficient. While some agents have been planted outside of breweries for a few hours a day, the work has been most ineffective. At least two additional men should be permanently placed at each plant manufacturing near beer. Of course, these men would also have to work in three shifts of eight hours each. This would be six men for each plant.

275 breweries times 6 men equals 1,650 men, at $3,000 a year	$4,950,000
10 accountant auditors for same services enumerated for denaturing plants above, at $4,000	40,000
20 chemists, at $5,000	100,000
Total additional brewery force	5,090,000

Mr. WELSH of Pennsylvania. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. WELSH of Pennsylvania. What amount of real beer does the gentleman say is sold in Pennsylvania, and where is it?

Mr. LAGUARDIA. In Philadelphia, Scranton, Wilkes-Barre, and all through.

Mr. WELSH of Pennsylvania. The gentleman does not mean to say that high-power beer is sold in large quantities in the city of Philadelphia?

Mr. LAGUARDIA. Yes; I do.

Mr. WELSH of Pennsylvania. The gentleman is mistaken in his information.

Mr. LAGUARDIA. I will take the gentleman in his own home town and we will go this week-end. [Laughter.]

I am assuming that recent reports from the Treasury Department and the Prohibition Division relative to the beer squads are correct and that these squads are functioning efficiently. Therefore I provided no additional force for the wildcat breweries and unlawful plants.

We now come to another source of diversion. The 82 denaturing plants deliver industrial alcohol to no less than 4,447 permittees, who may lawfully withdraw this denatured alcohol for ostensibly lawful purposes. It is these 4,447 manufacturers that use the millions of gallons of alcohol that the denaturing plants are supposed to provide. Many of the formulas are susceptible of being cooked and the poison partially taken out. At any rate, the fact remains that great quantities of denatured alcohol are diverted from its legitimate use and put into beverages. A greater part of these plants—I would say over 90 per cent of these plants—are without any supervision to speak of. Once in a while the perfunctory check up is made. If I were to suggest but 2 men to each plant working on a three-shift plan, that would require 26,682 men. I say now that if prohibition is to continue, the Government will be compelled to employ over 25,000 men to physically watch the operation of these four thousand-odd plants in order to prevent diversion. Now, instead of providing the full 26,682 men, I would take but one-fifth of that force. That will permit the four out of five permittees to continue their operation unchecked and uncontrolled. I repeat that the supervision now over these plants amount to nothing, and surely constitutes very little, if any, control. Here, too, we require a large force of accountant auditors. Perfume and soap houses sell to retailers and consumers who never receive an ounce of the products. It is all a bookkeeping fraud. Accountants will be able to follow up each sale, obtain canceled vouchers, and completely break up the system. By providing a force of 4,000 men, that would permit of less than one man for each plant. If plants are to be properly covered, it would permit the department to properly supervise but 366 of the 4,447 plants. By that I mean keeping the two men on the job throughout the day and night. Surely covering 366 plants out of 4,447 can not be said to be an unreasonable and wild estimate in order to ridicule the proposition; but just watch the cost:

4,000 men, at $3,000, is	$12,000,000
100 accountant auditors, at $4,000	400,000
25 supervising officers, at $4,000	100,000
Total for additional supervision of permittee manufacturers using denatured alcohol	12,500,000

So much for the general proposition of building a skeleton force, and my estimates here are simply for a skeleton force which will have to be increased each year as I have previously indicated.

Now, something ought to be done as an experiment to curtail the constantly increasing number of illicit stills. It would be impossible to start in the 48 States at one time. Although I believe that when the Government will start to suppress production of alcohol in all of the States, and will enforce the law particularly in the dry States, with the same annoyance, persistence, graft, and corruption that is now being carried on in some of the large centers of the country, there will be such a protest and such a wholesale conversion of drys to the wet cause as to bring about a speedy and sensible adjustment of this vexing question.

To get back to the estimates, I have chosen two States in which the experiment for the coming year might be tried. This honor should go, of course, to the State of the gentleman who championed this increased appropriation; that is the State of Georgia. For the other State I have selected the Western State of Idaho.

I have taken these States and divided them into zones of 500 square miles, and have taken as a basis 10 Federal agents for every 500 square miles. No military authority or police officer would accept a mission of patrolling or policing 500 square miles with 10 men. I knew that if I took the normal number of men required to properly patrol a State in order to suppress illicit stills, manufacturers of liquor, and the transportation of liquor, in accordance with accepted military or police formulas, the figures would be so large as to cause me to be immediately charged by my dry friends and dry colleagues with purposely distorting the proposition by the use of exaggerated figures. There are 59,265 square miles in the State of Georgia. That would provide about 110 zones. Allowing 10 men to a zone will bring it up to 1,110 men.

While, of course, a great part of the State is totally unpopulated, where no patrolling is required, this would permit of the shifting of men and increasing the patrols in the centers of population and in the zones where topography of the land is mountainous and difficult. Half of these men would necessarily have to be mounted. That would require the purchase of 500 horses and their maintenance and upkeep. Five hundred horses, at $165 a horse, the price paid for horses by the Army, $82,500. It would cost to stable and keep these horses about $12,500 a year. One thousand one hundred and ten men, at $2,500 a year, would be $2,750,000. Command of these men would add $50,000 more, making a total, not counting cost of the horses, $2,812,500. On the same basis, it would cost to put a small experimental Federal force in the State of Idaho, with its 83,888 square miles, excluding the cost of the horses, $4,240,000.

To summarize, without the cost of the force in Georgia and Idaho, but simply partially reenforcing supervision and doing only preventive work would require under the most conservative figures that I have given $24,400,000. If we add the two State experiments, it would bring an additional $6,252,500, or a total of $30,652,500. Now, I want to call attention to the fact that this does not take into consideration the patrolling of a single foot of Atlantic or Pacific or Gulf coasts. It would require thousands of men to prevent rum running along the Atlantic, Pacific, and Gulf coasts. Taking the eastern coast of Florida alone, with its 400 miles of eastern coast, would require a force of over 1,500 men. It would take right now, that the season is on at Miami and Palm Beach, a force of 750 men to simply prevent the daily importations for the daily consumption of those two fashionable resorts.

Mr. GIBSON. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GIBSON. Does the gentleman's scheme contemplate the patrolling of the northern border and the southern border?

Mr. LAGUARDIA. Oh, we will have to do that gradually. This is only to absorb the $24,000,000 offered by the other branch of Congress.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. SCHAFER. The gentleman is an authority on the prohibition question. Does he not think that this Congress should enact legislation which will prevent the foreign diplomats from importing intoxicating liquors? If the gentleman will look at last night's Washington Star he will see that the police attempted to confiscate a truck load of 800 quarts consigned to the French Embassy, but were prevented because it is held that the prohibition law does not apply to foreign diplomats. Why should foreigners in the diplomatic service be permitted to have hard liquor when the working men of this country can not have 2¾ per cent beer?

Mr. LAGUARDIA. Eight hundred quarts of what?

Mr. SCHAFER. Hard liquor.

Mr. LAGUARDIA. The same conditions exist all along the coast, whether east, west, or south. If next year $25,000,000 more is added, it might be possible to build up the skeleton force for the coast patrol. Gentlemen, it is going to be costly to convince some of you that you are dealing with an impossible proposition. I hope that every dry will carefully observe prohibition enforcement in order to convince himself that no matter how many millions of dollars we appropriate, it will not be possible to stop the traffic in liquor and the use of alcoholic beverages. Millions of gallons of liquor are consumed in this country every month. Gentlemen, bear in mind, that we have this enormous traffic in liquor not because we have thousands of bootleggers but because we have millions of consumers. [Applause.]

Mr. McFADDEN. Mr. Chairman, ladies, and gentlemen of the House, I want to refer briefly to an occurrence in the House last Monday when the Consent Calendar was under consideration. I refer particularly to the colloquy had in respect to Senate bill No. 1462, when the gentleman from Washington [Mr. SUMMERS] was questioned as to the then present consideration of the bill by the gentleman from Utah [Mr. LEATHERWOOD], the gentleman from Utah asking the gentleman from Washington whether or not if the bill went over to the next consent day it would be called up for consideration later on. The answer was that it would be, and, if necessary, it was implied, that the bill would be considered under suspension of the rules.

I want to direct your attention for a few moments now as regards the question of expending the public money for reclamation projects in amounts such as are now taking place and as are apparently in immediate contemplation. It seems to me that it is very pertinent in connection with the problem for which the extra session of Congress is being urged, namely, the

consideration of farm relief legislation and the tariff. Certain it is in my mind, if these lavish expenditures are to be continued to reclaim additional lands for the purpose of increasing agricultural production, when the Congress is being called upon to finance surplus production it is time that we paid some very definite attention to the details of these various projects and understand the economic effect that such action has on the country as a whole.

Mr. Chairman, I desire to ask the question, Should the Government now, under the circumstances, undertake reclamation of any additional lands?

In considering this matter let us briefly review the present status of Government reclamation work as reflected in official reports. Since creation of the Bureau of Reclamation, the Government has expended down to June 30, 1927, a total of $183,887,241 reclaiming so-called desert lands. In 1927 the irrigable area of projects built by the Government was 1,956,910 acres, an increase of 112,360 over that of 1926. The gross value of crops grown on these projects in 1927 was $72,047,200, an increase of $11,677,580, compared with 1926. In addition to the above areas, the Government's reclamation projects supplied, under the Warren Act, water to 1,482,950 acres in 1927, an increase over the previous year of 153,930 acres. The gross value of crops grown on this Warren Act land was $61,160,010, an increase of $11,409,970 over that of the previous year. From the foregoing it will be observed that the total value of crops grown in 1928 on the 3,439,860 acres of irrigated land, furnished with water from the works of the Bureau of Reclamation, was $133,207,210, an increase of $23,087,550 compared with 1926. In 1927 the Government appropriated for construction the sum of $9,869,000, compared with $4,443,000 the previous year, both figures exclusive of reappropriations. During 1927 there was expended on construction $6,966,449, compared with $5,189,025 of the previous year. All works now under construction involve a further ultimate expenditure of $90,000,000.

During the year the Guernsey Dam on the North Platte was completed; the Stony Gorge Dam on the Orland project in California was 90 per cent completed; the Gibson Dam on the Sun River project in Montana was 50 per cent completed; the work was under way on the construction of the Echo Dam under the Salt Lake Basin project in Utah, and on the Easton Diversion Dam, and other works of the Yakima project in Washington; preliminary work was begun on the Harper Diversion Dam and other structures on the Vale project in Oregon; contract was awarded and preliminary work begun on the structures of the Owyhee Dam, under the project of that name in Oregon. This last-named dam, when completed, will be the highest dam in the world, 43 feet higher that the 362-foot Schraeh Dam in Switzerland. The estimated cost of this Owyhee Dam is $5,378,125. The estimated cost of the dams and structures above mentioned, either completed or under way in 1927, is approximately $11,000,000.

The Crisp bill, H. R. 8221, contemplates expenditure of $10,000,000 in the purchase of "swamp, cut-over, neglected, abandoned, or poorly farmed land" in 10 Southern States, and in the creation therefrom of not less than 2,000 demonstration farms to aid, so we are told, in the settlement of waste lands. The Columbia Basin bill, S. 1462, contemplates irrigation of 1,833,000 acres at preliminary cost estimate for construction of works of not less than $315,000,000.

Twenty-four Government reclamation projects are already in operation, with the products therefrom competing with those of agriculture produced from lands privately reclaimed.

This Government reclamation work has always been under the control of the Department of the Interior. The historical policy of the Department of the Interior has been to dispose of more lands to settlers. Under existing conditions the policy of the Department of Agriculture is to advise the curtailment of new land settlement and production of more crops—especially of those whereof we annually create a surplus. Is it sane for this Government to induce settlement of raw lands for further production at a time when it is urged that because of surpluses year after year the market prices for staple crops have been ruined? As a matter of fact, it is well known that for a long time past new settlers which the Government have been able to induce to occupy raw lands under these reclamation projects have mostly been either those little versed in farming pioneering or those who have through many inferences, and not a few positive relief acts of the Government, been led to believe that eventually the cost of reclamation charged against them will be canceled. The adjustment and relief furnished these settlers in the last fiscal year amounted to the sum of $5,613,750.36. For 15 years the Bureau of Reclamation has been struggling with little success to secure settlers on the Milk River, Lower Yellowstone, the Belle Fourche, and some of the other projects. In the 1928 Annual Report of the Secretary of the Interior appears the following with reference to the Milk River project:

> Efforts to secure settlers for unimproved land have failed. * * * The urgent need of this project is to secure more good farmers and place them on partially improved farms under conditions where they will succeed.

In the same report, referring to the Lower Yellowstone project, the Secretary states:

> It has been found almost impossible to dispose of any unimproved farms without buildings. * * * The urgent need is for creation of an agency which will make and finance these needed improvements on long terms and at a low rate of interest. * * * Those who have unimproved farms and who are in the greatest need of assistance can not get Federal aid.

In the same report, referring to the Belle Fourche project, the Secretary reports an increase of—

> Sixty-two resident operators over the low point of 1925. * * * These newcomers are principally tenants.

One of the objects of the Government undertaking reclamation work was to give the poor but worthy and aspiring farmer an opportunity to become a landowner, but apparently the conditions surrounding the reclamation efforts of the Government have all conspired to produce an increasing tenantry, instead of ownership. Thus, in 1927, we find that 39 per cent of the farms in the Yuma project were cultivated by tenants; that of the 1,768 irrigated farms under the Uncompahgre project in Colorado, 850 were cultivated by owners and 918 by tenants; that of the 182 irrigated farms in the King Hill project in Idaho, 121 were farmed by owners and 61 by tenants; that over 40 per cent of the farms under the Boise project were cultivated by tenants, and that tenancy in the Minidoka project increased from 41 to 44 per cent; that of the 584 cultivated farms under the Huntley project in Montana, 309 were cultivated last year by owners and 275 by tenants; of the 500 farms cultivated last year under the Milk River project, 262 were operated by owners or managers for owners and 238 by tenants; that under the Lower Yellowstone project, farm owners cultivated 270 farms and tenants 332; that under the Carlsbad project in New Mexico, 288 farms were cultivated by owners and 137 by tenants; that of the 4,669 farms in the Rio Grande project in 1927, 2,901 were operated by owners and 1,768 by tenants; that under the Shoshone project in Wyoming, 343 units were farmed by owners and 241 by tenants, and so forth.

Moreover, already it has come to pass that thousands of allotted units under the various projects can not be advanced further for lack of settlers with capital for needed building improvements, operation, and so forth. Thus, under the Belle Fourche project, 400 farms, according to the Secretary of the Interior, need building improvements before settlement can advance further, and quoting his words:

> To accomplish desired results a credit fund of $500,000 should be made available for these Belle Fourche project landowners for construction purposes. No money is available in this vicinity for real-estate loans, and short-time bank loans are made only on productive livestock at 10 per cent interest.

In all these cases, the Government having induced the settlement, what is the duty of the Government toward these settlers? And what should be the policy of this Government to avoid in the future recurrence of these positions, where the settlers demand and procure no interest charges under their purchase contracts, reduction of principal price, delays in making first payments, longer periods of amortization, and so forth? In his 1928 annual report the Secretary of the Interior states:

> Few settlers have the capital required to convert a tract of raw land into a productive farm, the cost of improving, equipping, and operating farms having doubled in recent years. Hence the bureau is seeking a better type of farmer with more capital and skill.

It has seemingly now become the policy of the Bureau of Reclamation to desire to incorporate as a part of construction costs the preparation for immediate farming of at least part of the lands comprising the different units; that is, to clear and level such lands, and so forth. Such a step is reported as in accord with the recommendations of the different economic boards appointed to consider these newer projects.

These boards make land classifications, determine the size of farms, work out a program of agriculture adapted to the climate and soil, investigate cost of clearing, leveling and preparing land for irrigation, make estimates of costs of buildings, fences, livestock, and farm equipment for minimum requirements, and also estimates of operating expenses and farm

income; but when all is said and done, and representations as inducements to settlers to purchase have been made, based upon the findings of these boards, it would appear that at least in several instances, were the Government an individual and had it as an individual promoter utilized United States mails for the making of such representations, it would have been subject to prosecution for the use of the mails to defraud. Such are the repeated reports from many settlers.

And has the poor but worthy farmer a chance under these new projects? Dr. Alvin Johnson, recently employed by the Bureau of Reclamation as a social and economic expert, says concerning settlers' conditions under one of the later projects:

> What they have now, what the bounty of the Government has given them, is only a Chinaman's chance—i. e., they have a chance, by subjecting themselves and their wives and children to a Chinese standard of living through four or five years, to come into the birthright of ordinary American citizens—an American standard of living.

Some time ago Congress was driven to the point where it prescribed as a condition precedent to the making of an allotment the possession by the contemplating settler of $2,000 in cash or its equivalent in livestock and equipment. Do these projects now being constructed or those contemplated in pending legislation offer possibility of success to a settler thus equipped? As an example, let us consider this big new Owyhee project. There the economic board reported that a settler with $2,500 capital could not succeed with even as small an allotment as 40 acres; that even were a settler with $2,500 placed on a 40-acre tract wholly cleared and one-half planted to perennial legumes he could succeed only with the aid of the land bank. And it is well known there is no Federal aid for the settler who finds himself thus situated.

No wonder that even though the Reclamation Bureau should now go into the business, added to its other undertakings, of clearing and leveling the land, or go so far as to plant a part of the land, the great difficulty of securing settlers would still exist. This bureau employs competent agents trained in settlement work and the science of irrigation farming, but they can not find these settlers who have, as they should have, according to the findings of these economic boards, from $7,500 to $10,000 to develop a 40-acre dairy tract.

It may be all right for the Congress to say that settlers with $2,000 in capital may be allotted units in these projects, but where can these settlers borrow an additional $5,500 to $8,000 to bring the smallest of these tracts into production? The Federal land bank makes loans only on developed farms from which the income is immediate and assured. Local banks can not make long-time loans. The director of reclamation economics of the Bureau of Reclamation in an address before the Oregon Reclamation Congress at Salem, Oreg., on November 15 last, stated:

> No one is optimistic enough to believe that settlers can be secured with from $5,000 to $7,500 in sufficient numbers to settle these large areas of unimproved land rapidly enough to pay operation and maintenance charges and construction charges which will follow soon after the construction of irrigation works.

There is no hope for State aid because investigation shows that in most States there are constitutional prohibitions against the giving of aid of such a nature, although experience has shown that the States wherein these projects are located are the chief beneficiaries of the Government's expenditures; that these nearly worthless desert lands, producing little or no taxes, are upon reclamation and settlement taxed locally upon high assessed valuations.

The value of the Government's lien on the lands in these projects depends wholly on settlement. In a farm-depression crisis like the present, shall the Government which has thus unwittingly gotten into business, proceed to settle this land effectively and create competing crops, by forgiving debts, delaying initial settlements, prolonging amortization periods, and so forth?

But what shall be said of a contemplated undertaking like that mentioned above in the Columbia River Basin, which involves an outlay equal to twice the total sum expended to date on all other projects put together—a sum squal to the structural costs of the Panama Canal? No matter what may be said as to the length of time involved in the construction of these great contemplated works, there can be no argument that at the end of such a period the lands thereunder will be required for production. The quickness with which pasture lands and cut-over wood lots responded to the war demands for production taught us that unless it can be vouchsafed there will be a huge demand for exports, we have nothing to fear from scarcity of supply for our normally increasing domestic population.

From time to time, there have been more or less half-hearted efforts made to stop this orgy of expenditures through the Bureau of Reclamation, but action taken has always been insufficient. Only the other day, the new Secretary of the Interior approved a large item of expenditure for new construction under an Idaho project involving creation of a power plant. It is interesting to note that as a side line in this reclamation business, the Government is in the power business, and that last year it sold surplus electrical energy under 50 contracts, receiving $654,564.37.

In the report of the Secretary of Agriculture to the President, dated November 3, 1927, we read:

> Although, like Canada and Australia, we formerly found it desirable to employ our land policy as a means of attracting immigration, we are now endeavoring to restrict immigration. Unlike some of the densely peopled countries of Europe, our output of farm products adapted to the climate is adequate and we have no scarcity of agricultural land. Although the Federal Government has disposed of practically all the lands of agricultural significance formerly in the public domain, there is still a vast area of potential crop land in private ownership. This area is estimated at more than 600,000,000 acres. A large proportion of this is fair to good land in woodland areas where only clearing is necessary. Such land, as well as large areas of potential crop land in semiarid regions, awaits only a sufficiently stimulating price for farm products to be brought quickly under the plow. In fact, this privately held land exerts at times an unfavorable influence on agricultural prosperity. * * * Temporary increases in farm commodity prices cause some of it to be brought into cultivation, and when prices fail there is no ready contraction in the new farm areas because of the difficulty of transferring the labor and capital put into them to other industries. Short-sighted expansion of the agricultural area in times of temporary prosperity is encouraged, moreover, by the potent influence of super-salesmanship exerted in the interest of land-selling agencies. * * * Experience has shown that when the outlook is sufficiently promising private enterprise can be depended on to reclaim new areas. * * * There is need for a comprehensive study of reclamation policies and of the reclamation projects now under construction or contemplated. The policy of giving settlers on Federal reclamation projects from 20 to upward of 40 years to repay construction charges without interest constitutes an extensive subsidy to agricultural expansion. * * * It was estimated in 1923 that on the basis of the terms of repayment of interest then existing the exemption of interest at 4 per cent amounted to nearly 46 per cent of the cost of construction. Since then the period of repayment has been greatly extended and the subsidy correspondingly increased. As no corresponding subsidy is enjoyed by private enterprise in the development and utilization of agricultural land the settlers on Government projects are given an important competitive advantage. * * *
>
> Federal activity in the promotion of farm-land expansion seems particularly unwise when we reflect that a number of Federal reclamation projects are suffering seriously from depression aggravated by heavy overhead charges growing out of high costs of construction. * * * In general, proposals to enlist the funds and initiative of the Federal Government in stimulating agricultural expansion must cause concern to all persons interested in the farmer's welfare. With a huge reservoir of potential agricultural land, and strong forces tending constantly to stimulate expansion of the farm area, our land problem at present is not how to force land under the plow as rapidly as possible, but how to achieve a wise and economical allocation of our available land among major uses, such as crops, forests, and extensive grazing, and in such a way as to make farming on that land profitable.

How can we coordinate this constructive criticism with the promotion ideas of the Bureau of Reclamation? Mr. Chairman, it can not be done. Either we are to bury farming deep and for decades to come under these huge contemplated land-reclamation projects like Boulder Dam and Columbia River, or we will, statesmanlike, hold these vast competitive resources in reserve and undeveloped until such time as, stimulated by assured profits from farm production, settlers seek these lands at prices and on terms which will justify the employment of private capital to construct the necessary works. A not unimportant feature of any program of farm relief must be the forsaking by the Government of all thought of additional land reclamation. The so-called "revolving fund" of the Bureau of Reclamation now consists of approximately $166,000,000, invested in long-term loans to settlers. As the payments under these loans are collected, they replenish this revolving fund, and thus such payments support new construction. Moreover, to such revolving fund is allocated a part of the funds received by the Government from sale of public lands.

Last year such allocation amounted to $705,822.66. Moreover, 52½ per cent of all cash received by the Government as royalties from oil leases goes to this revolving fund, and thus last year this revolving fund was increased $2,454,168.66 from such source. The total payment by settlers into this revolving fund last year was $5,299,149.55. Omitting such large items as income from sale of surplus power, rental of water rights, and

so forth, and yet there flowed into such revolving fund during last fiscal year nearly $10,000,000. When farming credit is not to be had and finances are needed for moving crops the farmers of this country can not understand their Government's diverting such funds year after year to the subsidizing of competition; nor can they understand the righteousness of their Government supporting an Agricultural Department advocating one policy and an Interior Department actively engaged in defeating such policy.

This question of further reclamation of arid lands is the least complex of any which will be presented for our consideration in formulating a correct legislative program for farm relief, but it is doubtful if even it can be correctly, thoroughly digested and solved by proper enactments at this session. Opportunity should be given for full presentation and consideration of all facts. I hope my remarks may put on notice those who would defend at the contemplated extra session the policy of further reclamation of lands by the Government.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. SUMMERS of Washington. I want to say that the bill to which the gentleman referred, which I had charge of on last consent day, does not contemplate at this time a reclamation project. It contemplates some investigations which must necessarily cover a number of years. The first unit of that project, when finally decided by the Bureau of Reclamation to be a feasible project and approved by the Congress and constructed, would go into cultivation about 20 years from now; and under the plan now contemplated the whole project would be developed in the course of about 40 years, when the population of the United States would be about 60,000,000 in excess of what it is now.

The production from that proposed project would take care of 1,000,000 of the 60,000,000 of increase, and would not interfere with consumption by the present population, nor of ten, twenty, thirty, forty, or fifty million of the increase of population. That project would only meet the needs of one-sixtieth of the increased population.

Mr. McFADDEN. Yes; but I say to the gentleman that this bill is the nose of the camel under the tent, and this will eventually involve a total expenditure on the part of the Government of probably $350,000,000.

Mr. SUMMERS of Washington. No such draft on the Treasury is contemplated by those in charge of the project.

Mr. CRAMTON. Will the gentleman yield?

Mr. McFADDEN. I will yield.

Mr. CRAMTON. I was not so fortunate as to hear all of the gentleman's remarks, but only the latter portion of them, in which I thought the gentleman raised the question as to the advisability of utilizing power developed as an incident to irrigation work. Is that the position of the gentleman?

Mr. McFADDEN. I was referring to the receipts from the sale of power originating on these propositions——

Mr. CRAMTON. Prior to that the gentleman made the remark about the Government going into the power business, and I got the very general impression the gentleman felt we ought to discontinue more——

Mr. McFADDEN. No; I was simply giving facts in regard to the returns on these developments indicating there were power developments coupled with the reclamation projects, the total income being some $600,000 last year.

Mr. CRAMTON. But prior to that?

Mr. McFADDEN. I was not specifically criticizing the developing of the properties once they had been acquired, and my remarks were directed generally to the policy of these large appropriations for the construction of reclamation projects, especially since the Congress is now about to take up the problem of dealing with the surplus products of the farms, and because we all know and understand that these great areas, so watered by these projects and otherwise improved, are produced in direct competition with the farm products of the whole country.

Mr. CRAMTON. I got that. I was more concerned about what seemed to be a criticism of the appropriations which have been passed by this House in reference to reclamation and the power developed in Idaho, for instance.

Mr. McFADDEN. I will say I believe much of that could be dispensed with at the present time, particularly when we are called upon to inaugurate a policy to provide for the marketing of the surplus products of the farms of the whole country.

Mr. CRAMTON. Just where would the gentleman draw the line as to the completion of the projects under way for furnishing needed water to settlers now on the land?

Mr. McFADDEN. If I was in charge I would have an examination made by proper engineers to determine what was best to do under the circumstances.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFADDEN. And the sooner we get at it the better.

Mr. SIMMONS. I will yield the gentleman five additional minutes. I understand the gentleman's statement is that these reclamation products are in direct competition with the rain-belt farmer and the other farmers throughout the country?

Mr. McFADDEN. I do not know that I included rain-belt farmers particularly.

Mr. SIMMONS. With the general products of the country?

Mr. McFADDEN. I am talking in connection with contemplated action being demanded for laws to govern marketing of the surplus crops of the farmer, and I will say to the gentleman all of these reclamation projects certainly produce agricultural products which come on the market and into competition with production, which is one of the reasons that necessitate action at this time, or at least Congress is being pressed for action at this time to solve the farm-relief problem.

Mr. SIMMONS. On part of it the gentleman is in error because the agriculturists on reclamation projects of necessity become specialists in farm production. Some are fruit farmers, of which there is no surplus in the United States. The project in my State is largely devoted to the growth of sugar beets, of which sugar there is no surplus in the United States. Following, the next crop is alfalfa, which is used with the refuse from the beets. We devote it to feeding cattle especially and that type of farm activities. I think a fair check on the reclamation projects of the country will develop that a great many of the products are not in competition and can not create a surplus in the United States.

Mr. McFADDEN. I appreciate what the gentleman says.

Mr. CRAMTON. If the gentleman will yield, the gentleman referred to that Idaho expansion. The largest expansion provided for in the pending Interior Department appropriation bill was in connection with the Minidoka project to furnish a supplemental water supply to the Gooding unit that is already developed. The settlers are there but are unable to prosper because of an insufficiency of a certain water supply. In such cases as that the gentleman does not ask that these settlers of Idaho should stay there and remain in deplorable financial condition just so that the farmers of Michigan and Pennsylvania shall prosper? Idaho is as much a part of the United States as Michigan and Pennsylvania.

Mr. McFADDEN. Oh, no. I only hold that Congress, when it deals with the general question of farm relief, should take reclamation into consideration as one of the factors involved.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. JACOBSTEIN. I thoroughly agree with what you say about the looseness in our uncoordinated policy. The Department of Agriculture advocates one thing and the Department of the Interior another. Should not these projects, so far as the production of agricultural products go, be O. K'd by the Agricultural Department before we proceed with them?

Mr. McFADDEN. Yes; I think so.

Mr. JACOBSTEIN. At present we have no coordination in the matter. As it is now the farmers' organizations themselves have recently gone on record in affirming the position of the gentleman from Pennsylvania.

Mr. McFADDEN. Yes. There is one organization that I have specifically in mind. The National Grange are upon record in support of my suggestion.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. STEVENSON. The gentleman from Nebraska [Mr. SIMMONS] enumerated several projects that he said would not be in conflict with the policy of preventing a surplus, as producing products in which there is no surplus. The Boulder Dam proposition was one where we were going to irrigate an enormous amount of land there to produce cotton. That, of course, would be in live competition with one of our basic crops.

Mr. McFADDEN. Yes. And the lands now made available for irrigation in Mexico will affect the growers of cotton in South Carolina, and if these cotton lands get into full production not only South Carolina will be affected but the whole South, because under existing conditions in Mexico cotton could be produced much cheaper than in the South, because of irrigation and cheap Mexican, Chinese, and Japanese labor.

Mr. JACOBSTEIN. The gentleman from Nebraska refers to fruits as not having a surplus. But we do have at times a surplus of fruits.

Mr. McFADDEN. Yes.

Mr. SIMMONS. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. SPROUL].

The CHAIRMAN. The gentleman from Kansas is recognized for 15 minutes.

Mr. SPROUL of Kansas. Mr. Chairman and members of the committee, I have been very much interested in the remarks of the gentleman from New York [Mr. LAGUARDIA] upon the importance of a threatened appropriation for the enforcement of the prohibitory laws of our country. I agree with the idea that $24,000,000 or $25,000,000 would be wholly inadequate to prevent the coming into this country of large quantities of intoxicating beverages if nothing further was done. His logic is quite good and quite clear and quite convincing to those who view the proposition from his viewpoint. But, ladies and gentlemen, the real prohibitionists of this country are not looking at the question through the glasses of the wet people. Those who have been students of governmental prohibition for approximately half a century know that not only he but others who look at the question as he does are looking at the question of enforcement from the wrong viewpoint.

The real prohibitionists of this country propose to destroy the market of the importer. The market of the importers, the gentlemen whom he would keep out if he were enforcing the law, is the inducement for bringing the liquor across the northern boundary line of this country. Whenever our laws are so constructed fundamentally that the consumers of liquor and the bootleggers, the importers' agencies, are put out of business, the question of importing and the cost of preventing it will have been solved.

So long, ladies and gentlemen of the committee, as our prohibitory laws tolerate the operation of distilleries in the private homes of our citizens, the importing question is not a very important one to the bootlegger and the consumer.

The only difference, perhaps, is in the quality of the goods bartered and consumed. By amending our laws which we have had for 10 years so that distilleries may not be operated in every home, and so that penalties and punishments may be imposed upon the violators of the law that will be really deterring; when we have amended our laws so that we can have inquisitions conducted whereby we can locate the violators of the law; whenever we provide additional courts in which the offenders against the law may be promptly tried—all of which will not require much money compared with the amount our friend from New York mentioned; and whenever we provide a court remedy which will be an effective substitute for the jury trial, as we can do if we only would, we will have destroyed the great inducement of our importers to bring the liquor within from without. These laws to which I have just referred are now being prepared for the consideration of both branches of this great Congress.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. SPROUL of Kansas. Yes; I yield.

Mr. SCHAFER. The gentleman from Kansas is a sincere advocate of prohibition. He also practices what he preaches. Now, can the gentleman give us any information as to what remedy we could apply which will prevent the foreign embassies and legations from transporting 800 quarts of liquor over the public highways and through the streets of the Nation's Capital? Does the gentleman think that it is fair that foreign embassies and legations be permitted to transport 800 quarts of liquor in a truck, as the newspapers of last evening stated, and at the same time prevent a workingman from having a glass of 2.75 per cent beer?

Mr. SPROUL of Kansas. I agree with the gentleman that a law can be enacted that will prohibit the maintenance and use of liquors at embassies.

Mr. SCHAFER. And the gentleman thinks it should be enacted?

Mr. SPROUL of Kansas. Yes; I think that laws should be enacted prohibiting the keeping and use of liquors of any kind at embassies.

Mr. SCHAFER. I am glad to hear that from one of the most sincere and leading advocates of prohibition in public life.

Mr. SPROUL of Kansas. This question of law enforcement requires not only fundamentally the right kind of laws but it also requires in office the right kind of officers.

No matter how strong, ladies and gentlemen, the law might be made by Congress, unless the executive officers of the country and the judicial officers of the country are disposed to enforce those laws, they will not be enforced, and the same thing can truthfully and correctly be said of every other part of our Constitution and every other law in our country.

Mr. STEVENSON. Will the gentleman yield?

Mr. SPROUL of Kansas. Yes.

Mr. STEVENSON. I am interested in the gentleman's statement and I am as dry as he is, but the gentleman suggested a minute ago that there were measures pending which would enable us to deal with this by dispensing with jury trials and various other constitutional safeguards. I want to know whereabouts in this Congress that legislation is pending and what is the nature of it, because we have a Constitution which says something about that.

Mr. SPROUL of Kansas. Well, I meant to say, if I did not, and I thought I did, that bills are now being drafted to provide for an action in equity against a person conducting a business in violation of the Constitution.

Mr. BLACK of New York. Will the gentleman yield?

Mr. SPROUL of Kansas. Yes.

Mr. BLACK of New York. Does the gentleman advocate the padlocking of homes where they find distilleries?

Mr. SPROUL of Kansas. Yes; and I think that should include any Member of Congress. No exception should be made.

Mr. HUDSPETH. Will the gentleman yield?

Mr. SPROUL of Kansas. I yield.

Mr. HUDSPETH. I understood the gentleman, in response to the question propounded by my friend from Wisconsin, to say that he was in favor of 2.75 per cent beer?

Mr. SPROUL of Kansas. No.

Mr. HUDSPETH. Then I misunderstood the gentleman.

Mr. SPROUL of Kansas. No. I agreed with him about the embassies being prohibited from keeping and using liquors in Washington; that that should be done away with.

Mr. HUDSPETH. I understood the gentleman to say that would be fair.

Mr. SPROUL of Kansas. No. Only as I have stated.

Mr. BLACK of New York. Will the gentleman yield further?

Mr. SPROUL of Kansas. I yield.

Mr. BLACK of New York. Does not the gentleman think that in the case of Congressmen there ought to be two padlocks on dry-drinking Congressmen and one padlock on wet-drinking Congressmen?

Mr. SPROUL of Kansas. That could be just as the gentleman wishes. However, I think that if a Member of Congress sets up a distillery in his own home, in violation of the Constitution, it ought to be padlocked. I think the time may soon come, if the conditions within a certain few States and metropolitan cities, together with the attitude of those States toward the Federal Government and its laws do not change that our Chief Executive will follow the memorable example of President Andrew Jackson in challenging our attention to our duty as States with reference to the Constitution of the Federal Government.

I merely take this opportunity to call attention to our duty as a Congress, and that is to so strengthen our prohibitory laws, fundamentally and with reference to remedies for securing evidence, so that we can destroy the market of the bootlegger. We should put the bootlegger out of business, and whenever we have put the bootlegger out of business the wholesale importer will have no way of getting rid of his goods. His market will be destroyed and he will be put out of business.

Mr. BLACK of New York. Will the gentleman yield further?

Mr. SPROUL of Kansas. Yes.

Mr. BLACK of New York. On the question of enforcement in the individual States I notice in Collier's current issue that Topeka, Kans., has become the beer center of the country instead of the city of Milwaukee. Would the gentleman suggest that we padlock Topeka; and after what the gentleman from New York said about Detroit, should we not give Detroit a life sentence under the Michigan laws?

Mr. SPROUL of Kansas. Absolutely. I should say this with reference to Topeka and the Collier article, that if there are in Topeka violators of the law they should be punished the same as anywhere else; but in Kansas we have laws ample to enforce prohibition, both State and National, and I think we have an executive there now who will see that the laws are enforced. The appropriation requested by him is not for buying evidence; not at all. There are ample laws, but we may lack officers not disposed to enforce the law.

Mr. SCHAFER. Will the gentleman yield?

Mr. SPROUL of Kansas. I yield.

Mr. SCHAFER. Is not the State of Kansas, the gentleman's home State, the State where the governor had to specifically direct the State enforcement officers to enforce the prohibition laws, particularly with respect to the violators who are members of the legislature, who he claimed had been influenced by lobbyists at banquets where intoxicating liquors were freely served?

Mr. SPROUL of Kansas. No. I think the gentleman is not quite right.

Mr. SCHAFER. The press reports are incorrect, then?

Mr. SPROUL of Kansas. I think the gentleman misunderstood them or misconstrued them. In Topeka the law is violated when the executive officers are not discharging their duty, the same as it is anywhere else. There is a manifest disposition on the part of the present executive officers of the State to enforce the law, and there is plenty of law-enforcing machinery; there are plenty of courts, and the law will be enforced.

Mr. BLACK of New York. Will the gentleman yield?

Mr. SPROUL of Kansas. Yes.

Mr. BLACK of New York. Does the gentleman favor the Senate amendment to the deficiency bill for the $24,000,000?

Mr. SPROUL of Kansas. No; I do not favor it. I think the gentleman who proposed it was without knowledge as to the need for it. What we need is legislation. We need some additional courts and we need the fundamental law changed so that the penalties would be large enough to deter would-be violators. As I said before, we need laws prohibiting the maintenance of distilleries in private dwellings.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SPROUL of Kansas. Yes.

Mr. LINTHICUM. I want to ask the gentleman what is the use of having more courts unless you appropriate for more jails, because you have not room enough now in the jails and penitentiaries for the persons who are being sent there?

Mr. SPROUL of Kansas. We would put the bootleggers out on the highways to work building roads.

Mr. LINTHICUM. But you have to have a place for them to stay at night.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

If there is no desire for further general debate, the Clerk will read the bill for amendment.

The Clerk read as follows:

For incidental and all other general necessary expenses authorized by law, $1,700.

Mr. BYRNS. Mr. Chairman, the paragraph about which I want to ask the gentleman from Nebraska [Mr. SIMMONS] a question has been passed. The paragraph is at the bottom of page 4.

My attention was called by a colleague to this particular paragraph which relates to the issuance of registration certificates or identification tags for motor vehicles, with respect to the possibility of that provision applying to a temporary resident of the District who is paying a license upon his motor vehicle back in his home State and yet is required by law, after being here 30 days, to procure one of these license tags or certificates and being required to pay a tax here upon the same vehicle upon which he is paying a tax in his home State. I want to say, so as to rid the gentleman of any idea that it might apply to me, that I have no automobile in the District of Columbia, but I do know that a great many Members of Congress have their automobiles here. They come here in them and they take them back home. I assume the law of their State requires they shall submit to the tax assessor of the county a sworn statement of their personal property. They come here and use their automobiles during the sessions of the Congress. The law here requires after they have been here 30 days that they must have a license. When they go down to get this license they will be met with the statement, "You can not get your license unless you pay this tax." They are then put in the attitude of having to pay a tax both in their home State and here, although they are here only temporarily and are not actual citizens of the District. It seems to me there ought to be a qualifying amendment so as to protect those who are in this particular situation. This will be the situation if the gentleman who spoke to me has construed the paragraph correctly.

Mr. SIMMONS. This language is put in the bill, if the gentleman please, with the idea of requiring that a District resident shall pay personal taxes on his automobile. At the present time there are a large number of them who come to the District Building, give a fictitious address, and get a license so they can not be followed, and then they pay no personal taxes. Other thousands of them do not report their automobiles when they report their personal taxes. It is estimated that the District is losing from $75,000 to $100,000 a year on personal taxes on automobiles alone, and this, in spite of the fact that the license fee in the District is only $1.

I know of no requirement that a Member of Congress has to change his license plate from his home plate when he comes to Washington. We went into that at the hearings last year, upon the subject of reciprocity as between the District and the people who are here, as we are, on official business, and I think the gentleman will find that the statement of the traffic director is that there is no requirement that they shall take out a license here.

Mr. BYRNS. Then, as I understand, this registration certificate or identification tag does not refer to the license issued to the driver of the automobile?

Mr. SIMMONS. No; this is the automobile license for the car.

Mr. BYRNS. Of course I realize, under those circumstances, he could get his license tag from his home State.

Mr. SIMMONS. Yes, sir.

Mr. BYRNS. And he would not then be liable for this tax.

Mr. SIMMONS. This does not affect his driver's license at all.

Mr. BYRNS. But if he gets his license tag here, he will then have to pay the tax?

Mr. SIMMONS. If he is operating here under a District license, he pays the District tax.

Mr. BYRNS. I have no objection to that; but I did think it would work an injustice if it was construed as the colleague who talked to me about it this morning thought it might be construed; but, of course, the statement of the gentleman from Nebraska relieves that situation.

Mr. SIMMONS. This refers not to the driver's license but to the automobile tag.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. LINTHICUM. Mr. Chairman, I rise in opposition to the pro forma amendment in order to ask the gentleman from Nebraska a question. Is the license tax $1 a year or is that permanent?

Mr. SIMMONS. The license tax is $1 a year. The driver's permit, about which the gentleman from Tennessee speaks, costs $3 and is good for three years.

Mr. LINTHICUM. Some time ago the tax was $1 and that was permanent, was it not?

Mr. SIMMONS. No; I think they have been paying $1 a year. They have been objecting to it, but they have been paying that.

Mr. LINTHICUM. I remember when we had to have two licenses, I got a District license and paid $1 for it, and, as I recall, it lasted me a good long time.

Mr. SIMMONS. Possibly, prior to the gasoline tax there was a different rate.

Mr. LINTHICUM. Does a man have to pay the tax on his car when he goes to get his license?

Mr. SIMMONS. What we are aiming to do is just what the State of Maryland now requires.

Mr. LINTHICUM. Yes; I know about that.

Mr. SIMMONS. When a man goes to get his automobile license he will take the receipt of the treasurer showing he has paid the personal tax on his car.

Mr. LINTHICUM. That is what we do in Maryland.

Mr. SIMMONS. Yes; and that is what we are aiming to do here.

The Clerk read as follows:

RECORDER OF DEEDS

For personal services, $104,020: *Provided*, That no part of the appropriations contained in this act for personal services and other expenses of the office of the recorder of deeds shall be expended without the prior approval of the Commissioners of the District of Columbia, or under such regulations as the commissioners shall approve, and all expenditures from such appropriations shall be made and accounted for in the manner provided by law for the expenditure of other appropriations for the government of the District of Columbia.

Mr. BACHMANN. Mr. Chairman, I make a point of order against the paragraph down to the end of line 24, as legislation on an appropriation bill.

Mr. SIMMONS. Mr. Chairman, I am not disposed to quarrel with the gentleman about the point of order, but I want to explain the purpose of the legislation, and then if he feels that he should make the point of order I am willing to have the Chair rule.

The purpose of the legislation is this—the recorder of deeds is one of two officers in the District of Columbia whose salary is paid by the District of Columbia, whose entire working force is paid from the funds of the District of Columbia, the rent of his building, the equipment, and supplies paid by the District of Columbia, and he performs a purely municipal function. However, he is one of two officers of the District appointed by the President and confirmed by the Senate.

The sole purpose of the legislation is that the auditor of the District may have an opportunity to check the proposed expenditure of the District funds before they are made, and after they are made to check them up and see if they comply with the authorization of the expenditures that Congress has made. The legislation has no other purpose, and if the gentleman wants to make the point of order I shall not resist.

Mr. BACHMANN. I insist on the point of order, Mr. Chairman.

Mr. SIMMONS. I am frank to say that my judgment is that the point of order is good.

The CHAIRMAN. In view of the statement of the gentleman from Nebraska and the fact that the proviso is legislation on an appropriation bill, the Chair sustains the point of order.

The Clerk read as follows:

Northwest: Sixteenth Street, Kalmia Road to District of Columbia line, $64,000.

Mr. SIMMONS. Mr. Chairman, with reference to Sixteenth Street and its extension from Kalmia Road to the District line, that is where the District is building our Sixteenth Street and the paving is to meet the paving by Maryland to the District line. The appropriation is carried with the understanding that it is not to be expended until the construction on the Maryland side has reached the District line. With that statement I ask unanimous consent to return to page 15, line 11, to correct the spelling of the word "public."

The CHAIRMAN. Without objection, it will be so ordered.

There was no objection.

The Clerk read as follows:

PUBLIC PLAYGROUNDS

For personal services, $113,180: *Provided*, That employments hereunder, except directors who shall be employed for 12 months, shall be distributed as to duration in accordance with corresponding employments provided for in the District of Columbia appropriation act for the fiscal year 1924.

Mr. BANKHEAD. Mr. Chairman, I make a point of order against the proviso. It may be in proper form as reported from the committee but it is rather obscure.

Mr. SIMMONS. This language has been carried in the bill for several years and has not been changed; it is a proviso to which no point of order has been made.

Mr. BANKHEAD. I did not rise to make a point of order, but I would like to know what it means when it says—

except directors who shall be employed for 12 months, shall be distributed as to duration in accordance with corresponding employment provided for in the District of Columbia appropriation act—

And so forth.

Mr. SIMMONS. The explanation I have is that these playgrounds employ directors largely during the summer months, a part on full time, and this legislation is to spread out the expenditure over 12 months to suit their own convenience in carrying out the purposes of the act. I will say that the language heretofore has caused no trouble.

Mr. BANKHEAD. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk read as follows:

For personal services in the department of school attendance and work permits in accordance with the act approved June 4, 1924 (43 Stat. 367–375), and the act approved February 5, 1925 (43 Stat. 806–808), $36,900: *Provided*, That beginning July 1, 1931, and thereafter, section 3 of the act of the Legislative Assembly of the District of Columbia, approved June 23, 1873, entitled "An act to establish a normal school for the city of Washington" (sec. 42, ch. 57, of the Compiled Statutes in force in the District of Columbia), shall apply only to those graduates of the normal schools of the District of Columbia who shall at the time of their graduation rank within the first 25 per cent of their respective classes, arranged in order of their ratings received for their entire normal school course.

Mr. BANKHEAD. Mr. Chairman, I make a point of order against this proviso; it is clearly legislation and there must be some purpose of incorporating a provision of that sort, and I would like some information as to why this arbitrary power should be given, making it 25 per cent in the respective classes. Evidently it would deprive all others who are not in that class of the opportunity of securing a position as teacher.

Mr. SIMMONS. The purpose of that is this: For a long number of years, dating back to 1873, the District schools in the elementary grades have been supplied with teachers entirely from the two normal schools of the District. It is an ingrowing system. We are now extending the course in the normal schools from two years to three years for elementary teachers, and beginning with the date of 1931, when the classes will have reached the full 3-year course of training, we seek here to provide that 25 per cent of the highest in the class shall receive a preferential status in the District schools. The other 75 per cent of those who graduate must compete with outside teachers on a competitive basis for positions, and this is done in order to enable the school officials of the District of Columbia to secure the best teachers they can get for the salaries which we pay. As the situation is to-day, the most mediocre teacher who graduates from the normal schools of the District secures a position in the elementary schools in preference to the best teacher that could come here from any place in the United States.

Mr. BANKHEAD. This proviso relates not only to the items carried in this bill but it undertakes to make absolutely permanent legislation with reference to this method of selecting teachers?

Mr. SIMMONS. Yes, sir.

Mr. BANKHEAD. And gives priority to the highest 25 per cent?

Mr. SIMMONS. At the present time they all have priority.

Mr. BANKHEAD. Is this a proviso authorized by existing law?

Mr. SIMMONS. No. The purpose of carrying it is to enable teachers that come, say, from the normal schools in the gentleman's State, if they can demonstrate they have an ability superior to the 75 per cent, to obtain a position here; that is, to enable the District officials to hire them. The language is the language submitted by the school officials, with one exception. The testimony of the school officials stated 25 per cent, but they submitted to us the language with a proviso that 50 per cent of the graduates should have a preference, and we put it back where the testimony of the officials placed it first.

Mr. BANKHEAD. Has the gentleman ever thought of the propriety of having legislation to this effect from the District Committee instead of putting the proposition into an appropriation bill? The gentleman admits that it is legislation.

Mr. SIMMONS. It could go to the District Committee, yes, and would, if the gentleman wants to take that position.

Mr. BANKHEAD. I want to reiterate a statement I made a few days ago, that if a member of the Committee of the Whole House, when an appropriation bill is under consideration, offers an amendment which is violative of the rules of the House, some member of the Committee on Appropriations or the subcommittee will rise to vigorously oppose it and will insist upon the point of order. It seems to me that in order to be consistent, when the committee itself is confronted with items that are patently out of order in an appropriation bill, under the rules of the House, they ought to carry the matter to the legislative committees and get substantive law to support their action.

Mr. SIMMONS. If the gentleman will turn to page 16 of the report of the committee he will see that we point specifically to the language to which he refers and state that it is legislation. There is no attempt made to hide anything. This is a proposition to enable the District of Columbia to get the best teachers it can get for the money that we pay.

Mr. BANKHEAD. Mr. Chairman, I shall not make the point of order against the proviso, but it seems to me that this Appropriation Committee, with the great power that it has, in accord with the policy that they have of always objecting to amendments that are offered by Members from the floor of the House, wherever it is possible, ought to secure legislation to conform to the requirements of the House and not be constantly themselves violating the rules of the House.

The CHAIRMAN. The point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

For pay of troops other than Government employees, to be disbursed under the authority and direction of the commanding general, $9,000.

Mr. SIMMONS. Mr. Chairman, I ask unanimous consent to return to line 6, page 82 of the bill, to strike out the word "bureau" and insert in lieu thereof the word "burial."

The CHAIRMAN. Without objection, the Clerk will make the change.

There was no objection.

The Clerk read as follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For each and every purpose requisite for and incident to the work of the National Capital Park and Planning Commission as authorized by the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924 (43 Stat. 463–464), as amended, including not to exceed $100 for technical books and periodicals, not to exceed $45,000 for personal services in the District of Columbia, and not to exceed $3,500 for printing and binding, $1,000,000, to be immediately available and to remain available until expended: *Provided*, That not more than $300,000 of this appropriation shall be available for the purchase of sites without limitation as to price based on assessed value and that the purchase price to be paid for any site out of the remainder of the appropriation shall not exceed the full value assessment of such property last made before purchase thereof plus 25 per cent of such assessed value.

Mr. SIMMONS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SIMMONS: Page 87, line 3, strike out "$45,000" and insert in lieu thereof "$50,000," and in line 13, after the word "value," strike out the period, insert a colon and the following: "*Provided*, That no part of this appropriation shall be expended for the acquisition of land outside of the District of Columbia."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. SIMMONS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16422, the District of Columbia appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. SIMMONS. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

VOCATIONAL EDUCATION

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules for printing.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 297

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1731, to provide for the further development of vocational education in the several States. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT

Mr. TILSON. Mr. Speaker, if the House adjourns to-night without passing the appropriation bill that has been under consideration to-day it will come up for a vote on Friday morning, to-morrow being Calendar Wednesday under a special order made a few days ago.

SENATE ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to a bill and joint resolutions of the Senate of the following titles:

S. 1156. An act granting a pension to Lois I. Marshall;

S. J. Res. 59. Joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920, as per a certain contract authorized by the President;

S. J. Res. 142. Joint resolution authorizing the erection of a Federal reserve bank building in the city of Los Angeles, Calif.; and

S. J. Res. 180. Joint resolution authorizing the granting of permits to the committee on inaugural ceremonies on the occasion of the inauguration of the President elect in March, 1929, and for other purposes.

ADJOURNMENT

Mr. SIMMONS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Thursday, January 24, 1929, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Thursday, January 24, 1929, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON WAYS AND MEANS

(10 a. m. and 2 p. m.)

Tariff hearings as follows:

SCHEDULES

Agricultural products and provisions, January 24, 25, 28.
Spirits, wines, and other beverages, January 29.
Cotton manufactures, January 30, 31, February 1.
Flax, hemp, jute, and manufactures of, February 4, 5.
Wool and manufactures of, February 6.
Silk and silk goods, February 11, 12.
Papers and books, February 13, 14.
Sundries, February 15, 18, 19.
Free list, February 20, 21, 22.
Administrative and miscellaneous, February 25.

COMMITTEE ON FLOOD CONTROL

For improvement of navigation and the control of floods of Caloosahatchie River and Lake Okeechobee and its drainage area, Florida (H. R. 14939).

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Continuing the powers and authority of the Federal Radio Commission under the radio act of 1927 (H. R. 15430).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

760. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to authorize the American Legion, Department of New Jersey, to erect a memorial chapel at the naval air station, Lakehurst, N. J.; to the Committee on Naval Affairs.

761. A communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments to pay claims for damages to privately owned property and damages by collision with naval and lighthouse vessels in the sum of $48,135.29 (H. Doc. No. 521); to the Committee on Appropriations and ordered to be printed.

762. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department for the fiscal year 1929 pertaining to the office of the Supervising Architect, $394,000 (H. Doc. No. 522); to the Committee on Appropriations and ordered to be printed.

763. A communication from the President of the United States, transmitting draft of proposed legislation to continue available until June 30, 1930, the unexpended balance of the appropriation of $50,000 made in the first deficiency act, fiscal year 1925, for the Federal Oil Conservation Board (H. Doc. No. 523); to the Committee on Appropriations and ordered to be printed.

764. A letter from the president of the Chesapeake & Potomac Telephone Co., transmitting report of the Chesapeake & Potomac Telephone Co. to the Congress of the United States for the year 1928; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LEAVITT: Committee on the Public Lands. S. 1511. An act for the exchange of lands adjacent to national forests in Montana; without amendment (Rept. No. 2190). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGLAS of Arizona: Committee on the Public Lands. H. R. 15919. A bill to authorize the issuance of patent for lands containing copper, lead, zinc, or silver, and their associated minerals, and for other purposes; with amendment (Rept. No. 2191). Referred to the Committee of the Whole House on the state of the Union.

Mr. FISH: Committee on Foreign Affairs. H. J. Res. 382. A joint resolution to send delegates and an exhibit to the Fourth World's Poultry Congress to be held in England in 1930; without amendment (Rept. No. 2192). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH: Committee on the Public Lands. S. 1577. An act to add certain lands to the Boise National Forest Idaho; with amendment (Rept. No. 2193). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 14472. A bill to extend the time for construction of a bridge across the Mississippi River at or near the city of Vicksburg, Miss.; with amendment (Rept. No. 2196). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 14479. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Maysville, Ky., and Aberdeen, Ohio; with amendment (Rept. No. 2197). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 15201. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Maysville, Ky., and Aberdeen, Ohio; with amendment (Rept. No. 2198). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 15714. A bill to extend the times for commencing and completing the construction of a bridge across the Ocmulgee River at or near Fitzgerald, Ga.; with amendment (Rept. No. 2199). Referred to the House Calendar.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 15851. A bill to extend the times for commencing and completing the construction of a bridge across the Allegheny River at Kittanning, in the county of Armstrong, in the State of Pennsylvania; with amendment (Rept. No. 2200). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 16026. A bill to extend the times for the construction of a bridge across the Missouri River at or near Randolph, Mo.; with amendment (Rept. No. 2201). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 16035. A bill to extend the time for completing the construction of the bridge across Port Washington Narrows, within the city of Bremerton, State of Washington; with amendment (Rept. No. 2202). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 16162. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near New Orleans; with amendment (Rept. No. 2203). Referred to the House Calendar.

Mr. NELSON of Maine: Committee on Interstate and Foreign Commerce. H. R. 16270. A bill to revive and reenact the act entitled "An act granting the consent of Congress for the construction of a bridge across the St. John River between Fort Kent, Me., and Clairs, Province of New Brunswick, Canada," approved March 18, 1924; with amendment (Rept. No. 2204). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 16279. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at Augusta, Ky.; with amendment (Rept. No. 2205). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. S. 4721. An act to extend the time for commencing and completing the construction of a bridge across the Potomac River at or near Great Falls, and to authorize the use of certain Government land; with amendment (Rept. No. 2206). Referred to the House Calendar.

Mr. SHALLENBERGER: Committee on Interstate and Foreign Commerce. H. R. 14460. A bill authorizing the Iowa-Nebraska Free Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Sioux City, Iowa; with amendment (Rept. No. 2207). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 297. A resolution providing for the consideration of S. 1731, a bill to provide for the further development of vocational education in the several States; without amendment (Rept. No. 2208). Referred to the House Calendar.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 13692. A bill for the relief of the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians, and for other purposes; with amendment (Rept. No. 2209). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 16209. A bill to enable the Rock Creek and Potomac Parkway Commission, established by act of March 4, 1913, to make slight changes in the boundaries of said parkway by excluding therefrom and selling certain small areas, and including other limited areas, the net cost not to exceed the total sum already authorized for the entire project; without amendment (Rept. No. 2210). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KNUTSON: Committee on Pensions. H. R. 16522. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; without amendment (Rept. No. 2189). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 5264. A bill for the relief of James P. Cornes; with amendment (Rept. No. 2194). Referred to the Committee of the Whole House.

Mr. FISHER: Committee on Military Affairs. H. R. 13737. A bill for the relief of Dennis W. Scott; without amendment (Rept. No. 2195). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 7282. A bill for the relief of George O. Pratt; without amendment (Rept. No. 2211). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KNUTSON: A bill (H. R. 16522) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; committed to the Committee of the Whole House.

By Mr. HAWLEY: A bill (H. R. 16523) authorizing J. C. Ten Brook, his successors and assigns (or his heirs, legal representatives, and assigns), to construct, maintain, and operate a bridge across the Columbia River at or near Astoria, Oreg., to connect Roosevelt Military Highway in Oregon with Washington Ocean Beach Highway; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE of Virginia: A bill (H. R. 16524) to extend the time for commencing and the time for completing the construction of a bridge across the Potomac River; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDRESEN: A bill (H. R. 16525) to more effectively meet the obligations of the United States under the migratory bird treaty with Great Britain by lessening the dangers threatening migratory game birds from drainage and other causes, by the acquisition of areas of land and of water to furnish in perpetuity reservations for the adequate protection of such birds, and authorizing appropriations for the establishment of such areas, their maintenance and improvement, and for other purposes; to the Committee on Agriculture.

By Mr. GIBSON: A bill (H. R. 16526) to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes; to the Committee on the District of Columbia.

By Mr. LEAVITT (by departmental request): A bill (H. R. 16527) to authorize the Secretary of the Interior to purchase land for the Alabama and Coushatta Indians of Texas, subject to certain mineral and timber interests; to the Committee on Indian Affairs.

By Mr. CHRISTOPHERSON: A bill (H. R. 16528) providing restrictions in the computation of the amount due under any claim filed by a State, or subdivision thereof, against the United States; to the Committee on the Judiciary.

By Mr. ENGLAND: A bill (H. R. 16529) relating to the construction of a chapel at the Federal Industrial Institution for Women at Alderson, W. Va.; to the Committee on the Judiciary.

By Mr. JOHNSON of South Dakota: A bill (H. R. 16530) to authorize the President to consolidate and coordinate governmental activities affecting war veterans; to the Committee on Expenditures in the Executive Departments.

By Mr. WILLIAMS of Illinois: A bill (H. R. 16531) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Golconda, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. DREWRY: A bill (H. R. 16532) to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or

destroyed by fire at the naval training station, Hampton Roads, Va., on February 21, 1927; to the Committee on Naval Affairs.

By Mr. WOLVERTON: A bill (H. R. 16533) to authorize the American Legion, Department of New Jersey, to erect a memorial chapel at the naval air station, Lakehurst, N. J.; to the Committee on Naval Affairs.

By Mr. McMILLAN: A bill (H. R. 16534) to allow newspapers and other publications containing matter in respect of lotteries to be mailable in certain cases; to the Committee on the Post Office and Post Roads.

By Mr. HAWLEY: Concurrent resolution (H. Con. Res. 48) to provide for the printing of 2,500 copies of the hearings on "Tariff readjustment of 1929"; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 or Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 16535) authorizing the Secretary of War to execute a satisfaction of a certain mortgage given by the Twin City Forge & Foundry Co. to the United States of America; to the Committee on War Claims.

By Mr. BEERS: A bill (H. R. 16536) granting an increase of pension to Maggie E. Shearer; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 16537) granting an increase of pension to Ida M. Pratt; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 16538) granting a pension to Frances A. Houston; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 16539) granting an increase of pension to Emma W. Mitchell; to the Committee on Pensions.

By Mr. DICKINSON of Missouri: A bill (H. R. 16540) granting an increase of pension to Joshua J. Brown; to the Committee on Invalid Pensions.

By Mr. EVANS of Montana: A bill (H. R. 16541) for the relief of Margaret Lemley; to the Committee on Claims.

By Mr. HAWLEY: A bill (H. R. 16542) granting a pension to William E. Emerson; to the Committee on Pensions.

By Mr. HOGG: A bill (H. R. 16543) granting an increase of pension to Maria Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16544) granting an increase of pension to Amanda Dirrim; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Indiana: A bill (H. R. 16545) granting a pension to Mary A. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16546) granting an increase of pension to Virgil O. Adams; to the Committee on Pensions.

Also, a bill (H. R. 16547) granting an increase of pension to Annie Groves; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16548) granting an increase of pension to Lizzie Gasaway; to the Committee on Invalid pensions.

Also, a bill (H. R. 16549) granting an increase of pension to Olive Craig; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 16550) granting a pension to George A. Credit; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16551) granting a pension to Grover C. Pollard; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 16552) granting an increase of pension to Martha A. Osborne; to the Committee on Pensions.

By Mr. MILLER: A bill (H. R. 16553) to incorporate the Society of the Ladies of the Grand Army of the Republic; to the Committee on the Judiciary.

By Mr. NORTON of Nebraska: A bill (H. R. 16554) granting an increase of pension to Mary A. Fellows; to the Committee on Invalid Pensions.

By Mr. PEAVEY: A bill (H. R. 16555) granting a pension to Theodore J. Hillman; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 16556) granting an increase of pension to Sarah J. Hamlin; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 16557) granting a pension to Beverly Sizemore; to the Committee on Pensions.

Also, a bill (H. R. 16558) granting a pension to Mealy Glancey; to the Committee on Invalid Pensions.

By Mr. STOBBS: A bill (H. R. 16559) granting an increase of pension to Isabella Allison; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 16560) to correct the military record of Francis J. Moore; to the Committee on Military Affairs.

Also, a bill (H. R. 16561) granting an increase of pension to Ida R. Robinson; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 16562) granting a pension to Leon R. Wilson; to the Committee on Pensions.

Also, a bill (H. R. 16563) granting a pension to Elbina L. Poole; to the Committee on Invalid Pensions.

By Mr. THATCHER: A bill (H. R. 16564) granting an increase of pension to Julie Marie Krez and minor children; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8368. Petition of Samuel D. Hodgdon, chairman St. Charles free bridge committee, Clayton, Mo., relative to the handling of the bridge at St. Charles free; to the Committee on Interstate and Foreign Commerce.

8369. By Mr. BARBOUR: Resolution adopted by the Fresno County Council of American Legion Posts, Fresno, Calif., recommending that the Director of the Census collect data relative to the present number and residence of veterans of wars of the United States during the taking of the 1930 census; to the Committee on the Census.

8370. By Mr. BLOOM: Petition of New York State League of Savings and Loan Associations, approving and urging the passage of House bill 13981, to permit the United States to be made a party to actions to foreclose mortgages or other actions in respect to real estate; to the Committee on the Judiciary.

8371. Also, petition of the Philippine-American Chamber of Commerce, unqualifiedly opposing any restriction or limitation to the free movement of products between the United States and the Philippines in either direction; to the Committee on Ways and Means.

8372. By Mr. COOPER of Wisconsin: Petition of Chicago & North Western Railway employees, of Racine, Wis., protesting against the enactment of a law to prohibit the so-called "Pullman surcharge"; to the Committee on Interstate and Foreign Commerce.

8373. By Mr. GARBER: Petition of the Chicago Wholesale Fish and Oyster Dealers' Association (Inc.), Chicago, Ill., urging favorable consideration of the Hoch-Smith resolution; to the Committee on Interstate and Foreign Commerce.

8374. Also, petition of the American Maid Flour Mills, Houston, Tex.; Canadian Mill & Elevator Co., El Reno, Okla.; the Midland Flour Milling Co., Kansas City, Mo.; the Kansas Milling Co., Wichita, Kans.; the Enid Milling Co., Enid, Okla.; the National Soft Wheat Millers' Association, Nashville, Tenn.; and the Southwestern Millers' League, Kansas City, Mo., indorsing H. R. 16346, a bill to amend the tariff act of 1922; to the Committee on Ways and Means.

8375. Also, petition of United Spanish War Veterans, urging support of House bill 14676; to the Committee on Pensions.

8376. Also, petition of E. F. Drew & Co. (Inc.), New York; the Ideal Food Products Co., Peoria, Ill.; and the Ed S. Vail Butterine Co., Chicago, Ill., in opposition to House bill 10958; to the Committee on Agriculture.

8377. Also, petition of the National Grange, indorsing House bill 10958; to the Committee on Agriculture.

8378. By Mr. KVALE: Petition of C. J. Swenson, president, and officers of Farmers' Shipping Association, Kandiyohi, Minn., urging enactment of legislation which will give the Secretary of Agriculture the same supervision over private markets which he now has over the public markets; to the Committee on Agriculture.

8379. By Mr. O'CONNELL: Petition of G. & W. Heller Co. (Inc.), New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8380. By Mr. QUAYLE: Petition of New York State League of Savings and Loan Associations, of Albany, N. Y., favoring the passage of House bill 13981, to permit the United States to be made a party to actions to foreclose mortgages or other actions in respect to real estate; to the Committee on the Judiciary.

8381. Also, petition of the Maritime Association of the Port of New York, favoring the passage of the LaGuardia bill (H. R. 11886), a bill to establish the office of captain of the port of New York and define his duties; to the Committee on Interstate and Foreign Commerce.

8382. By Mr. VINCENT of Iowa: Petition of Philippine-American Chamber of Commerce, opposing any restriction or limitation to the free movement of products between the United States and the Philippines; to the Committee on Ways and Means.